

THANK YOU

We're proud that the WE® Sustainability Strategy is a core part of our company. It's a strategy we believe will drive greater value and spark innovation.



**SUSTAINABILITY
REPORT 2024**

WE



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FOREWORD



In 2024, ongoing geopolitical tensions continued to fuel global uncertainty, impacting both markets and consumer confidence. Amid this challenging backdrop, the European Union remained committed to its strategic priorities – most notably, the Green Deal. The release of the Draghi Report sparked important discussions around strengthening the EU's long-term competitiveness. These conversations are already translating into action, with the initial development of the EU Omnibus package, scheduled for launch in 2025. WE Fashion welcomes this step toward simplification, as it supports reduced compliance complexity.

Amidst this evolving landscape, we remain deeply committed to sustainability. A key priority in 2024 was preparing for the Corporate Sustainability Reporting Directive (CSRD), the double materiality assessment being the first step. This process enabled us to re-evaluate how we identify and disclose both our impacts and our dependencies. To meet the growing demands of upcoming sustainability challenges, and to stay aligned with our own ambitious goals, we expanded our sustainability team. This step marked a further professionalisation of our approach and a clear reinforcement of our commitment to a “beyond compliance” mindset.

In 2024, we began one of the most significant transformation initiatives in WE Fashion's history: the complete replacement of our ERP system and many of its connected programmes. This foundational investment is designed to enhance operational efficiency, improve data quality for better-informed decision-making, and enable us to more effectively integrate sustainability into our data and reporting processes.

Despite a more complex operating environment, we made meaningful progress towards many of our sustainability goals in 2024. Our strategy remained focused on creating real, measurable impact. The targets we introduced in 2019 have provided a solid foundation and clear direction. While we're proud of the progress achieved so far, we recognise that now is the right time to re-evaluate these goals. Not only because they run through 2025, but also because the world has changed significantly since they were first set.

To ensure our sustainability goals remain both ambitious and achievable, we will conduct a comprehensive review of all current targets. This review will align our objectives with global developments and reflect our evolving internal capabilities. Several steps have already been taken to prepare for the future, including achieving certification for five major preferred material standards and formally committing to the Science Based Targets initiative (SBTi).

We're confident that the progress made in 2024, combined with the decisive steps already in motion for 2025, will empower us to shape a future-proof, responsible, and resilient sustainability strategy – one that stays focused on measurable impact.

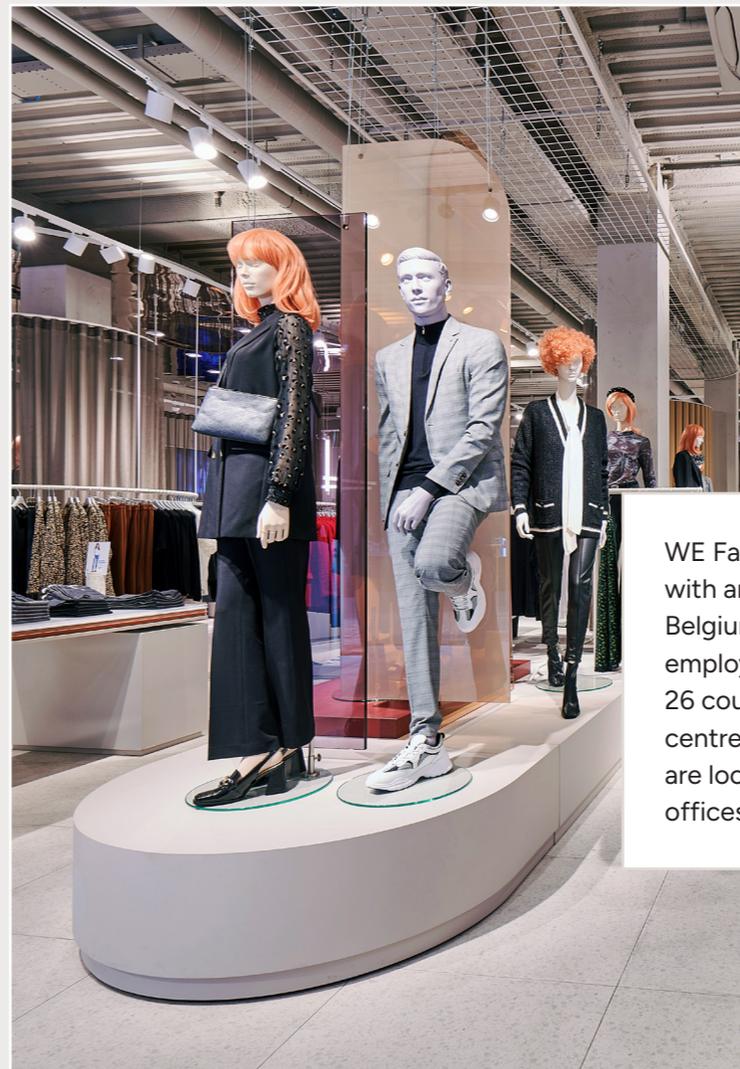
My sincere thanks go to our teams for their dedication, our partners for their collaboration, and our stakeholders for their continued engagement. We are better together.

Joris Aperghis, CEO

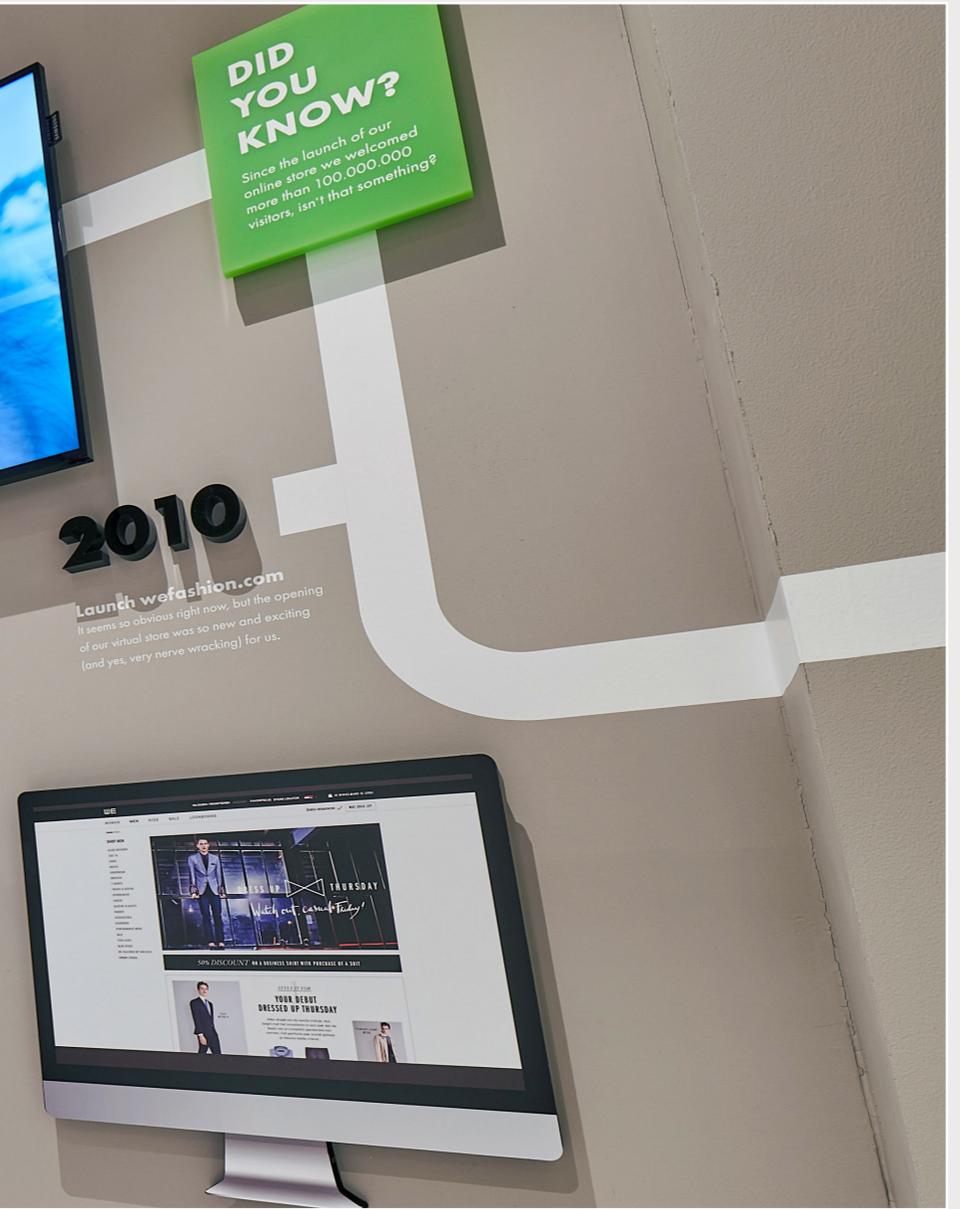


SUSTAINABILITY AT WE FASHION

INTRODUCTION



WE Fashion is an international company with around 130 stores in the Netherlands, Belgium and Switzerland, over 1,500 employees, and distribution in more than 26 countries. The international distribution centre and the organisation's head office are located in Utrecht. There are also local offices in Belgium and Switzerland.



WE® Values

We believe that life has more meaning when lived and experienced with others. We believe it so deeply, it's the reason WE® exists.

We believe in random acts of kindness. In group hugs, spontaneous adventures, and showing up for others. In uniting our differences and embracing change.

We believe in our heritage. What started as a humble Dutch retailer has grown through ambition and entrepreneurial spirit.

We believe in designs that connect. Those that allow you to stylishly tune in and vibe with the people around you. Modern collections of great quality for a fair price.

Our audiences inspire everything we do, and we seek to overachieve their expectations. We serve to connect.

Now is our moment – to help shape a better world, one that moves forward as one. Because when we're together, great things happen.

To turn these values into reality, WE Fashion has established seven key company values that express the mindset and characteristics of the organisation. They're brought together under the name CONNECT:

1. **Customer Focus**
2. **Operational Excellence**
3. **Newness Loving**
4. **Naturally Stylish**
5. **Engaging**
6. **Care**
7. **Togetherness**



To emphasise the holistic approach we have on sustainability, we have integrated our responsibilities into our overall WE® business strategy: sustainable business. In addition, CARE has been added to our connect values in 2021, which means that the commitment of employees to WE CARE, our sustainability mission, will be assessed annually.

Our business strategy aims to find the right balance in creating fashion that is both environmentally and socially responsible – and can be enjoyed by everyone. In both the short and long term, WE Fashion wants to have a positive impact on both people and the environment.

Sustainability vision

Finding the right connection between social, environmental, and economic interests to make fashion more sustainable.

Sustainability mission

We work towards our goal by partnering with stakeholders and continuously improving sustainability across every part of our organisation. We believe it's important that our customers can trust us in the way we make our products, every day and step by step, in a manner with less impact.

The WE® sustainability team is an independent, separate department within the company. The Head of Sustainability directly reports to the CEO. Not only does this demonstrate the organisation's commitment to sustainability, it also supports a decision-making process that is led by the highest level and is independent of other departments. The sustainability team works closely with the broader WE® Management Team to inform and support strategic decision-making for the future.



Sustainability Team

The WE® sustainability team identifies both social and environmental opportunities and risks, puts them in context and relates them to WE Fashion's activities. They do so by working with appropriate stakeholders, both internal and external, such as government, NGOs, trade unions, suppliers, and other textile companies. This way, they gain valuable information on emerging social and environmental issues and work towards improvements. These issues may be relevant today, tomorrow and/or in the longer term.

In 2024, the WE® Sustainability team was strengthened with the addition of an ESG Reporting and Project Manager, brought on to prepare our business for upcoming legislation and enhance the team's capacity to address key sustainability issues – particularly greenhouse gas reductions. In 2025, the team expanded again with the appointment of an Assistant Environmental Manager to help drive progress towards environmental targets.

As of 2025, the team consists of an ESG Reporting and Project Manager, a Social Compliance Coordinator, an Environmental Manager, and an Assistant Environmental Manager – all reporting directly to the Head of Sustainability. The Quality Coordinator also reports directly to the Head of Sustainability.

The team works closely with other departments across WE Fashion to drive necessary improvements in social and environmental performance. It also collaborates with suppliers and factories to help improve labour conditions and lower environmental impact in manufacturing countries. The buying department plays a key role in achieving these improvements.

Risk analysis

As part of the WE® Sustainability Strategy 2020–2025, a risk analysis was conducted in 2020 to define our key priorities. This analysis was based on the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, which addressed potential negative impacts across our supply chains. These guidelines support the implementation of due diligence as recommended in the UN Guiding Principles on Business and Human Rights.

The risks identified in the analysis were drawn from various sources, including NGOs, unions, industry research, and historical data. We extended the risk analysis down to the factory level to obtain a clearer understanding of local conditions.

Each risk was assessed based on the potential level of harm and the likelihood of it occurring. Many of these risks are interconnected. High-risk areas often involve events that have occurred before and are likely to happen again, or materials and products that have been used in the past and will continue to be used. These risks are often linked to other related issues. On the other hand, low-risk areas include materials and products that are rarely used, or events that are unlikely to occur in WE Fashion's supply chain, but that could still pose a general risk. The analysis confirmed that the actions WE® has taken in recent years are already focused on addressing the most salient risks.

The materiality of the prioritised risks was discussed during a stakeholder dialogue. With their input, we were able to set SMART targets and focus on the risks that scored highest in the analysis. These insights also helped shape actions to engage suppliers and factories throughout our supply chain.

We monitor progress on each target through defined evaluation procedures and standards. Our goal is to work more closely at a local level in manufacturing countries – with workers, factory management, and local stakeholders – to create real, on-the-ground impact.

To track progress, we've established clear monitoring and evaluation standards for each target. Our aim is to strengthen local collaboration in manufacturing countries – working directly with factory management, workers, and local stakeholders to create real impact on the ground.

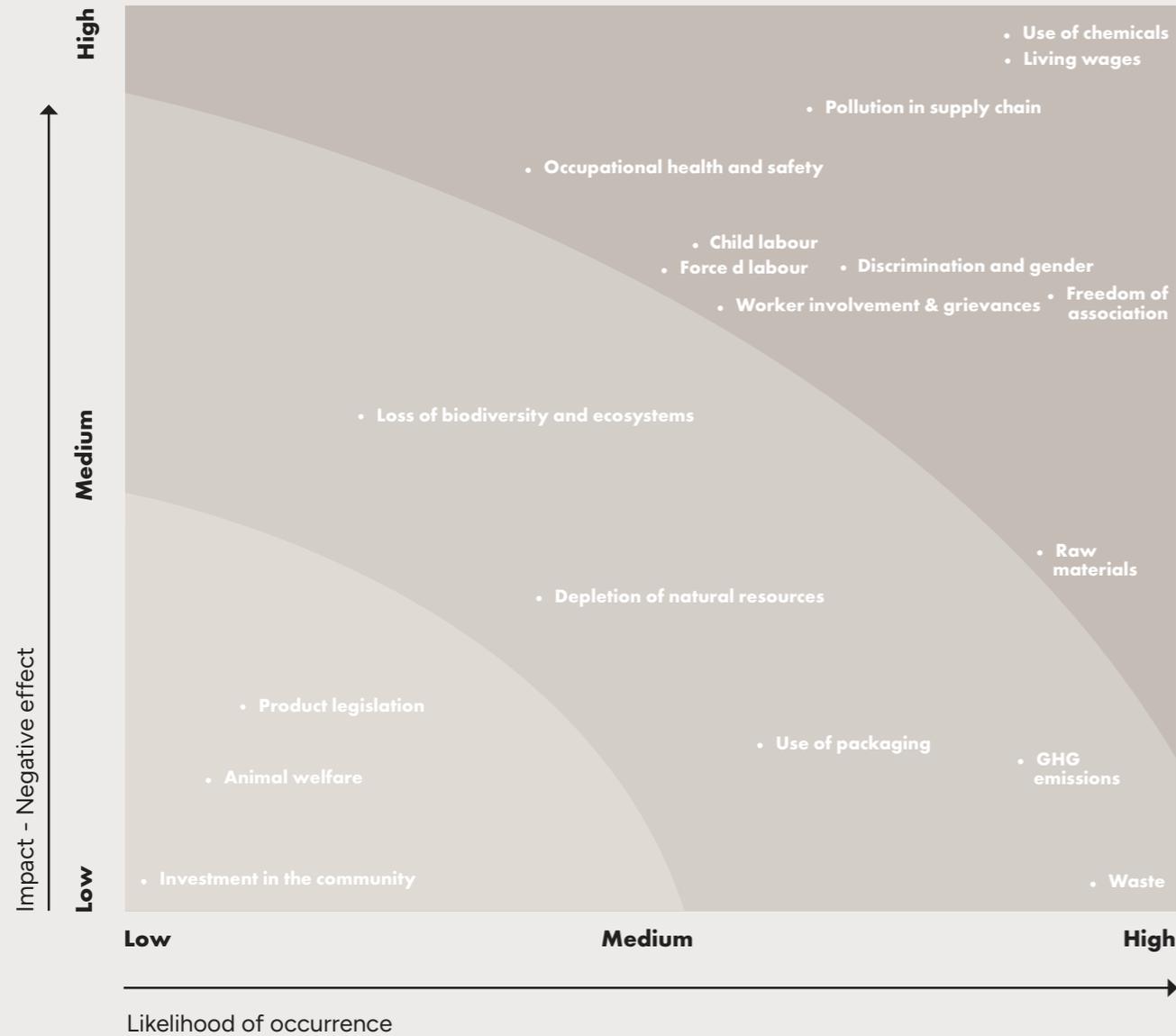
Double Materiality Assessment

Risks are subject to change. And as conditions evolve, new risks may emerge. In 2024, WE Fashion conducted a Double Materiality Assessment (DMA) to prepare for the EU Corporate Sustainability Reporting Directive (CSRD) and to better understand both our positive and negative impacts on people and the environment. A thorough risk assessment was also part of this process.

The outcomes of the DMA now serve as the foundation for our WE® Sustainability Strategy 2025–2030. Further details can be found in the chapter 'Preparing for the CSRD'.



Risk overview



Risk analysis

WE Fashion has carried out an extensive risk analysis. The identification of risks as listed by WE Fashion has been based on several resources and include:

- Reports consulted from Clean Clothes Campaign, WRC, Fair Wear Foundation, SOMO, Greenpeace, Arisa, ILO Call to Action Covid-19
- Tools from the Dutch Agreement on Sustainable Garments and Textile, Modint and MVO Nederland
- Issues covered during audits and inspections of the amfori Business Social Compliance Initiative, amfori Business Environmental Performance Initiative, Better Cotton, International Accord and Leather Working Group, Higg tools
- Issues related to the materials we use in our products
- Issues related to the countries in which our products are produced

Risk prioritisation

The risk matrix was discussed with management and the owner of the company. We prioritised the risks below. The targets in the WE® sustainability strategy 2020-2025 include the most serious risks in our supply chain, as well as risks in our operations that can harm people and the environment.

- Use of hazardous chemicals
- No basic need wages - living wages
- Pollution in supply chain
- Presence of discrimination and gender
- Lack of Freedom of association and the right of workers to bargain collectively
- Raw material use (environmental issues)
- No worker involvement and grievance mechanisms
- Presence of child labour/young workers
- Presence of bonded labour/forced labour
- Occupational health and safety
- Use of packaging
- GHG emissions

WE® Sustainability Strategy 2020–2025

In 2024, WE Fashion sourced from factories in 14 countries, many of which are in regions where human rights, environmental protection, animal rights, and the health and safety of workers may be at risk.

International guidelines and agreements, such as the United Nations Guiding Principles on Business and Human Rights, the Sustainable Development Goals SDG, the OECD's Guidelines for Multinational Enterprises, and the ILOs fundamental labour standards helped us set policies and conduct our due diligence by investigating the human rights, environmental, or animal welfare violations in our supply chains.

A comprehensive risk analysis has been carried out to identify the most salient risks. The findings have been used to create the WE® Sustainability Strategy 2020-2025, consisting of four pillars:

- Improving the working conditions
- Making our products and processes more sustainable
- Optimising the way we work
- Contributing to society

Each pillar outlines goals we aim to achieve by 2025. This report shares insights into the risks we've identified in our supply chain, the targets we've set, and the actions we're taking to map, detect, and mitigate those risks.

Our goal is to create positive impact – for workers and the environment within our supply chain, for consumers (by sourcing and offering preferred materials such as recycled fibres), for our colleagues (through a safe and healthy workplace), and for the broader communities in which we operate.





OUR TARGETS FOR 2025

TARGETS AND ACHIEVEMENTS

		2019	2020	2021	2022	2023	2024	Target 2025
 IMPROVING THE WORKING CONDITIONS	Our goal is that by 2025, 70% of products will come from factories where working conditions are qualified as "good". We will continue to work with the remaining factories to address the identified areas for improvement.	44%	63%	70%	73%	75%	78%	70%
	We only accept products from factories that are free of child labour, discrimination, and gender issues.	96%	97%	98%	98%	98%	98%	100%
	Each year, WE Fashion will carry out a project with a focus on social dialogue and/or living wage.	✓	✓	✓	✓	✓	✓	100%
 MAKING OUR PRODUCTS & PROCESSES MORE SUSTAINABLE	Our goal is to source 100% more sustainable cotton by 2021.	63%	97%	99%	100%	100%	100%	100%
	Our goal is to use 100% animal-friendly materials by 2025 (mainly wool).	25%	33%	35%	54%	54%	38%	100%
	Our goal is that 20% of the materials used will be made from recycled fibres by 2025.	0.1%	1.4%	2.8%	7.1%	9%	11%	20%
	Our goal is to increase the share of tier 1 factories that measure the environmental impact by 20% versus baseline 2022 by 2025.	-	-	-	44%	54%	66%	64%
 OPTIMISING THE WAY WE WORK	Our goal is to maintain that at least 1 in 3 management positions are filled by a woman by 2025. *Incl store managers **Excl store managers	41%	38%	44%	*66% **46%	*65% **39%	*65% **52%	33%
	Our goal is to reduce the waste from the head office and stores with 30% by 2025. *2024 increased availability of collected waste data	-	-10%	-3%	8%	-1%	-20%*	-30%
	Our goal is to reduce the CO ₂ emissions from our head office and stores with 30% by 2025. *2020-2023 progress not available due to recalculation of base year (2019)	-	-*	-*	-*	-*	-40%	-30%
	Our goal is that 50% of the non-commercial articles will be a more sustainable option by 2025.	6%	19%	16%	16%	79%	90%	50%
	Our goal is that 100% of our B2C packaging will be made from more sustainable materials by 2025.	15%	38%	36%	36%	55%	52%	100%
 CONTRIBUTING TO SOCIETY	Our goal is to donate 100% of product waste to charities by 2025.	96%	96%	99%	99%	99%	99.8%	100%

Responsible stakeholder engagement

We work closely with stakeholders to identify and reduce risks, and to better understand their concerns. This includes direct engagement, inviting feedback, sharing updates, and addressing issues throughout our operations and compliance processes. Whenever possible, we aim to resolve concerns through open and respectful dialogue. Ultimately, our goal is to collaborate with stakeholders to create meaningful, lasting change.

Governments

We are in active dialogue with the Dutch government in its roles as both regulator and legislator. We also collaborate with relevant authorities through trade associations and, until the end of 2021, directly through the Dutch Agreement on Sustainable Garments and Textiles.

Associations and industry

WE Fashion is a member of INretail, the Dutch trade association representing retailers in fashion, footwear, sports, and interior design. INretail was a member of the steering committee for the Dutch Agreement on Sustainable Garments and Textiles (AGT). Since 2024, WE Fashion has joined Modint – the Dutch trade association for fashion, interior textiles, and related industries, representing over 500 companies. Modint supports its members with policy advocacy, sustainability advice, and sector-specific expertise.

**Employees**

We are committed to supporting our colleagues by offering a wide range of training courses, a works council, clear policies and procedures (including the WE® Whistleblower Policy), and regular performance reviews. We foster an open, informal workplace culture where hard work is valued, and there's room for fun too.

Suppliers

We strive for long-term partnerships with our suppliers. We have one-to-one contact on a frequent basis. We visit our suppliers regularly, share information on the WE Fashion compliance programme, and demand for sustainable materials and opportunities to participate in projects and training.

Customers

Customers reach out to WE Fashion via social media and email to ask questions and share ideas. Questions regarding social compliance, sustainable products, and product safety are very welcome and help shape the direction of topics in our sustainability strategy. We take product complaints seriously and use the feedback to improve our products and take immediate actions when needed.

Community

The communities around our offices and stores, and those near the factories in which we manufacture, are stakeholders in our operations, as these are affected by job creation and economic development. We carry out a role as a good neighbour to the communities we're active in. We also support many charities via the WE® Get Together Foundation.

Multi-stakeholder initiatives

WE Fashion takes part in several multi-stakeholder initiatives to support due diligence efforts and collaborate with other brands, retailers, NGOs, and labour unions. Our shared goal: reduce impact, improve working conditions, and build a more sustainable supply chain.

International Accord

WE Fashion is committed to protecting the safety and rights of workers in our supply chain. In 2013, we signed the Bangladesh Accord, which brought significant improvements in factory safety and helped shift the mindset of factory owners and employer associations in the country. It has also been a successful example of a strong and effective grievance mechanism.

In 2018, we signed the Transition Accord, continuing our efforts to improve safety in the Bangladeshi garment sector through a multi-stakeholder approach. In 2021, WE Fashion signed the International Accord, expanding its work beyond Bangladesh and beginning dialogue with stakeholders to explore implementation in other countries. In 2023, we signed the Pakistan Accord, formally extending the programme into Pakistan.

Better Cotton

Since 2015, WE Fashion has been a proud member of Better Cotton, which has become our leading standard for sourcing more sustainable cotton.

Through Better Cotton and its partners, farmers are trained in: efficient water use, soil and habitat health, reduced use of harmful chemicals, and decent work practices.

Better Cotton's 2030 strategy focuses on five key impact areas: climate change mitigation, soil health, women's empowerment, pesticide reduction, and sustainable livelihoods.

For more information, visit: www.wefashion.nl/nl_NL/we-care/planet/verduurzamen-van-onze-producten-en-processen

Business Social Compliance initiative

WE Fashion has been a member of the amfori Business Social Compliance Initiative (BSCI) since 2004. Our WE® Code of Conduct is based on BSCI principles and must be followed by all suppliers and their factories in high-risk countries. The Code includes 13 principles, all of which are monitored through independent audits at factory level, helping us identify where improvement is needed.

Our WE® Code of Conduct is accessible on our website: https://www.wefashion.com/nl_NL/we-care/transparency/

Business Environmental Performance Initiative

WE Fashion has been a member of the amfori Environmental Performance Initiative (BEPI) since 2017. BEPI provides a practical framework that supports factories to reduce their environmental impact, business risks and costs through improved environmental practices.

Since 2017, WE Fashion has also been a member of the amfori Business Environmental Performance Initiative (BEPI). BEPI provides factories with a practical framework to reduce environmental impact, lower business risks, and cut operational costs. This is achieved through improved environmental practices and clearer performance indicators.

Leather Working Group

The Leather Working Group (LWG) has developed environmental standards for leather tanning and processing. The assessments focus on water consumption, waste management, and transparency of wastewater treatment. Factories can obtain different levels of certification for different levels of performance.

Cascale (formerly: Sustainable Apparel Coalition)

In 2021, WE Fashion re-joined the Sustainable Apparel Coalition (now known as Cascale), an industry-wide group of more than 300 leading apparel and footwear brands, retailers, suppliers, academics, and NGOs committed to reducing the environmental impacts of apparel and footwear products. As part of our membership requirements, we conducted the Brand & Retail Module (Higg BRM) and monitored our suppliers' use and performance of the Facility Environmental Module (Higg FEM) and the Facility Social & Labor Module (Higg FSLM).

- [The Higg Brand & Retail Module \(Higg BRM\)](#) helps brands and retailers in the textile, apparel, and footwear industries to measure the environmental, social and governance impact of their business operations and to identify opportunities that improve their sustainability performance on an annual basis.
- [The Higg Facility Environmental Module \(Higg FEM\)](#) informs manufacturers, brands, and retailers about the environmental performance of their individual facilities, empowering them to scale sustainability improvements.
- [The Higg Facility Social & Labor Module \(Higg FSLM\)](#) promotes safe and fair social and labour conditions for value chain workers around the world. Facilitating companies can use the scored assessment to understand hotspots and reduce audit fatigue.

Stakeholders we involve in conducting our due diligence:

Organisation	
American Apparel & Footwear Association (AAFA)	US trade association representing apparel, footwear, and other sewn products firms and their suppliers, which compete in the global market.
Amfori	Global business association for open and sustainable trade.
Arisa	Dutch non-profit organisation aiming to improve working conditions in supply chains in South Asia.
Awaj Foundation	A labour rights organisation in Bangladesh.
Better Cotton	A non-profit, multi-stakeholder governance group that promotes better standards in cotton farming and practices.
Business Social Compliance Initiative	An industry-driven movement by amfori that aims to monitor and assess workplace standards across the global supply chain.
Cascale (formerly: Sustainable Apparel Coalition)	The apparel, footwear, and textile industry's alliance for sustainable production. With the mission to transform business for exponential impact through ground-breaking tools, collaborative partnerships, and trusted leadership for industry sustainability.
Cividep	A labour rights organisation in India.
Clean Clothes Campaign	A global network dedicated to improving working conditions and empowering workers in the global garment and sportswear industries.
Clevercare	The Clevercare® initiative by Ginetex - the international association for textile care labels - is designed to remind us to be mindful of the environment when washing, drying, and caring for our clothes.
CNV	Christian National Trade Union Federation (CNV) is a federation of trade unions of the Netherlands.

Organisation	
Dutch Circular Textile Valley	A broad coalition of brands, retailers, manufacturers, their associations, knowledge institutes, and government bodies that will collaborate on moving to a more circular clothing and textiles value chain in the Netherlands.
Dutch Ministry of Foreign Affairs	Netherlands' ministry responsible for foreign relations, foreign policy, international development, international trade, diaspora, and matters dealing with the European Union, NATO and the Benelux Union.
European Union	A supranational political and economic union of member states that are located primarily in Europe.
Fair Wear Foundation	An independent multi-stakeholder organisation that works with garment brands, garment workers, and industry influencers to improve labour conditions in garment factories.
FNV	The Dutch Trade Union Confederation (FNV) is a national trade union centre in the Netherlands that supports workers worldwide in their fight for decent work via Mondiaal FNV.
FOUR PAWS	A global animal welfare organisation.
German Partnership for Sustainable Textiles	A German multi-stakeholder initiative, aiming to make the global textile supply chain more sustainable.
IndustryAll	An international trade union confederation consisting of about 800 unions in 140 countries.
INretail	The trade association in the Netherlands regarding non-food retail.
International Accord	A legally binding agreement between 200 garment brands and global trade unions, with the mission of ensuring safe workplaces in the textile and garment industry.

Organisation	
Leather Working Group	A global multi-stakeholder community committed to building a sustainable future with responsible leather.
MADE in Myanmar	The Multistakeholder Alliance for Decent Employment in Myanmar ('MADE in Myanmar') is a four-year project, funded primarily by the European Union and participating brands and retailers. Its goal is to strengthen responsible business practices in the textile, clothing, and footwear sector, drive essential industry improvements, and help protect the livelihoods of hundreds of thousands of families.
Modint	The Dutch trade association for manufacturers and suppliers in the fashion and textile industry.
MVO Nederland	Maatschappelijk Verantwoord Ondernemen Nederland – a cooperation between companies on sustainable business, provided by the Dutch Government.
Netherlands Enterprise Agency (RVO)	A government agency operating under the auspices of the Ministry of Economic Affairs and Climate Policy.
Open Supply Hub	A collaborative supply chain mapping platform, used and populated by stakeholders across sectors and supply chains.
Reshare – Salvation Army	Donation programme of the Dutch Salvation Army.
RMG Sustainability Council (RSC)	An unprecedented national tripartite initiative in Bangladesh that carries out structural, electrical, fire, and boiler safety inspections.
Save	A labour rights organisation in India.
Social economical council (SER)	An advisory body for the Dutch Government and Parliament on social and economic policy.

Organisation	
Solidaridad	International network organisation aiming to create fair and sustainable supply chains from producer to consumer.
SOMO	Stichting Onderzoek Multinationale Ondernemingen (Centre for Research on Multinational Corporations).
Stichting UPV Textiel	Stichting UPV Textiel supports clothing and household textile producers and importers meet their individual Extended Producer Responsibility (UPV) obligations. This includes the collective organisation of textile collection, reuse, and recycling – all with the goal of moving toward a circular textile industry.
Textile Exchange	Textile Exchange is a global non-profit organisation driving positive climate action across the fashion, textile, and apparel industry. It owns several leading material standards, including the Global Recycled Standard (GRS), Organic Content Standard (OCS), and Responsible Wool Standard (RWS).
Unicef	The United Nations Children's Emergency Fund aims to protect children's rights.
Uni Global Union	UNI Global Union is a global federation representing national and regional trade unions in the skills and services sectors.
VerdraaidGoed	VerdraaidGoed specialises in product design using residual materials, creating social employment opportunities, preserving material value, and closing production loops.
Worldly	Public-benefit technology company for building software for assessment methodologies (HIGG tools), developed by the Sustainable Apparel Coalition.

Supply chain transparency

Sharing information about where our products are made helps workers and their representatives raise concerns about working conditions and environmental issues in our supply chain. When international or local stakeholders makes a grievance complaint, we investigate the matter. Where possible, we work together with factories, suppliers, other brands, and stakeholders to find a solution.

Steps taken towards transparency

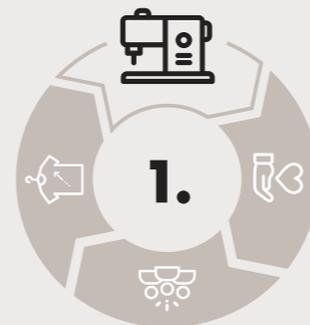
In recent years, we've taken a number of important steps towards greater transparency. This helps strengthen engagement with stakeholders and supports the development and validation of our sustainability goals and action plans.

- WE Fashion signed the Transparency Pledge, a global initiative aimed at setting a shared minimum standard for factory disclosures across the garment industry.
- We publish our factory list online, and over time, we've expanded the level of detail. The list includes the factory location, parent company, number of employees, and percentage of women working in each facility. You can view the list at: www.wefashion.nl/nl_NL/we-care/transparency.
- To further improve transparency, our factory list is also available on the Open Supply Hub (formerly Open Apparel Registry), listed under WE Europe BV: <https://opensupplyhub.org/?contributors=1508>.
- WE Fashion first disclosed its factory list in 2016, as part of our commitment to the former Dutch Agreement on Sustainable Garments and Textile (AGT).





IMPROVING THE WORKING CONDITIONS



We strive to ensure good working conditions for everyone in our supply chain. This means upholding workers' rights to fair wages, reasonable working hours, safe and healthy conditions, and freedom from discrimination, harassment, and violence in the workplace.

Although WE Fashion does not own factories, we work with specialised suppliers who often produce for multiple brands. Many of these partnerships have been in place for years, allowing us to build a strong and reliable social management system. This system helps us monitor working conditions and promote improvements that make a meaningful difference in workers' lives.

The textile industry employs millions of people, yet too many still work under poor social conditions. We believe that building long-term relationships with our suppliers is key to addressing these challenges. Through daily one-on-one contact, regular supplier meetings, collaboration on compliance, sustainable materials, and training initiatives, we hope to create an open environment where change can take root. By engaging with factory management and workers – and offering targeted training and workshops – we aim to foster a culture of continuous improvement. These efforts are designed to enhance working conditions and promote more ethical and sustainable production practices.

Our objective is to structurally improve sustainability across the production chain, focusing on all factories in which our goods are produced and materials are made. By identifying key risks and setting clear priorities, we have been able to define targeted goals for the coming years.

These efforts contribute to the Sustainable Development Goals (SDGs), particularly goals 1, 4, 5, 6, 8, 10, and 17.



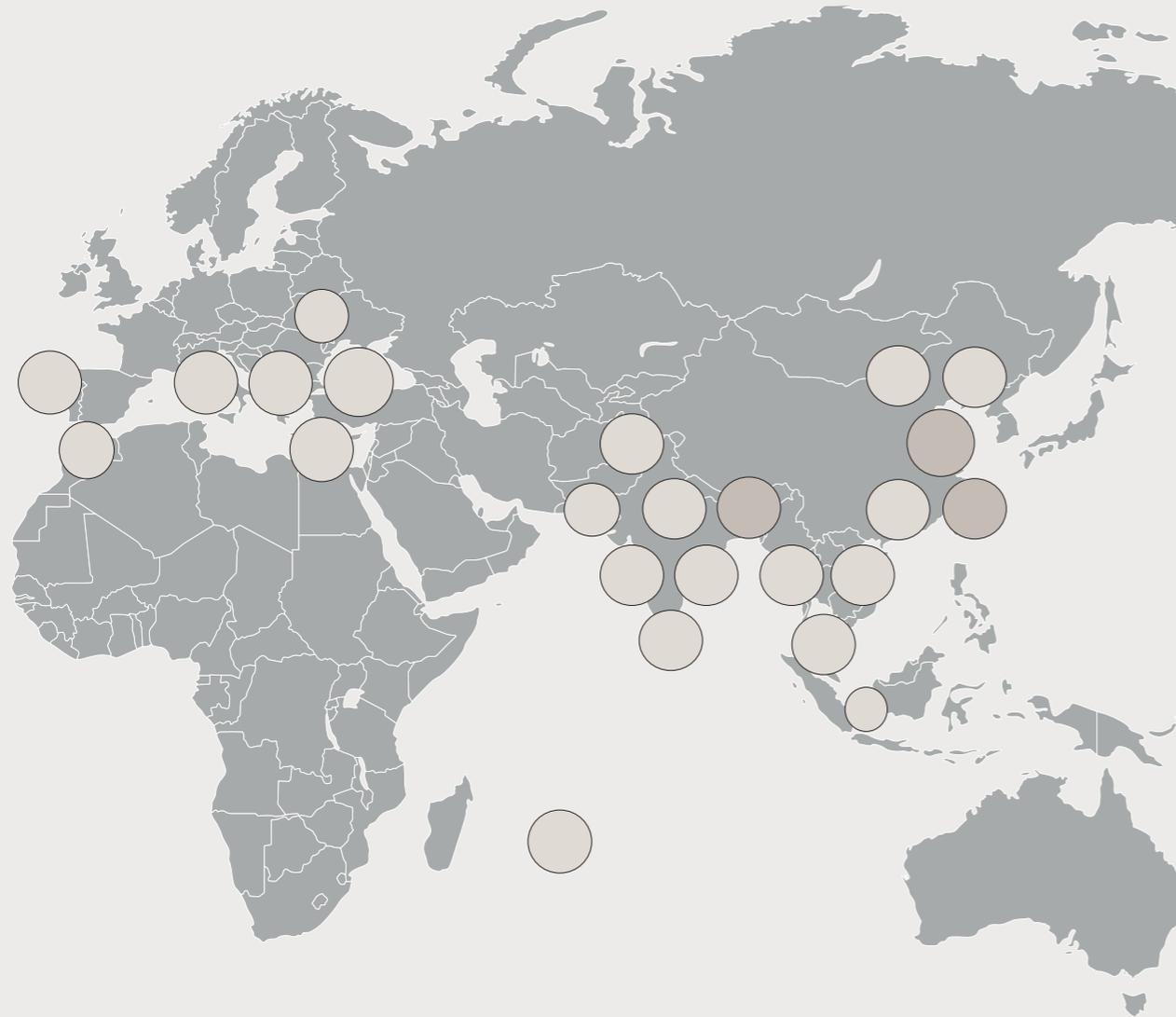
Supply chain

The textile supply chain is long and complex, involving many steps that all play a role in the creation of our clothes. A simplified version of the chain runs from farmer to trader, spinner to weaver, sewing factory to laundry, and finally to our distribution centre. Between these steps, fibres, fabrics, and garments are also traded, transported, and stored. At each stage, WE Fashion is committed to promoting good working conditions, respecting human rights, and improving environmental standards.

- WE Fashion currently works with 126 factories. Of these, 5 are located in non-risk countries and 121 in countries classified as risk.
- In 2024, WE Fashion produced goods in 14 countries: Bangladesh, Bulgaria, Cambodia, China, India, Italy, Mauritius, Morocco, Myanmar, the Netherlands, Pakistan, Portugal, Türkiye, and Vietnam.
- Our main production countries were Bangladesh, China, and India. These three countries were all classified as high-risk in the 2024 Global Rights Index by the International Trade Union Confederation. Factories in our supply chain in risk countries employ an estimated total of 95,702 workers. Of these workers, 62% operate in Bangladesh.
- An estimated 101,416 workers were employed in the factories that produced WE Fashion items in 2024. Of these, around 101,002 were located in high-risk countries. Bangladesh alone accounts for 60% of this workforce.
- Not every worker in these factories produces for WE Fashion, but the entire workforce benefits when a facility meets our Code of Conduct, offers training, or improves working conditions.



Production countries



Fewer facilities   More facilities

Source: Open Supply Hub

Production countries

Production country	Percentage of total production (based on sum of value of the goods in €)
Bangladesh	36.3%
China	18.1%
India	10.2%
Myanmar	9.8%
Cambodia	7.8%
Vietnam	5.7%
Türkiye	5.1%
Mauritius	4.0%
Pakistan	2.5%
Morocco	0.2%
Portugal	0.2%
Italy	0.1%
Bulgaria	0.03%
The Netherlands	0.003%

Engagement with factories lower down the supply chain

To obtain a clear understanding of the social and environmental performance of factories beyond our direct suppliers (tier 1), we began registering wet-processing units and material suppliers involved in the production of our products, also known as lower-tier suppliers.

Achieving full traceability across the supply chain is a complex task, particularly because we often have no direct relationship with factories beyond tier 1. Still, identifying and addressing environmental, social, and human rights risks at every level of our supply chain is essential.

Since 2024, we've started registering wet-processing units and material suppliers on a per-product basis. In recent years, we also initiated the ongoing process of mapping our tier 2 suppliers, based on disclosures from our tier 1 partners, even if these are not yet linked to specific products. Recognizing the importance of traceability at the order level, we've now shifted our approach to mapping based on individual orders. In some cases, our suppliers use in-house facilities for wet processing and material supply. In others, they rely on external partners to complete these steps.

Results of identifying factories beyond our direct suppliers (tier 1).

- Each year, we ask our suppliers to update the visibility of the other tiers in our supply chain using our mapping tool. We request a complete overview of all partners involved in producing for WE Fashion. This includes contact details, sustainability certifications, and audit arrangements. Because these partners are not always directly connected to WE Fashion, we do not publish this information publicly. However, we do publish the list of our direct suppliers on our website to ensure transparency.
- We have mapped at least one lower-tier facility for 98% of our tier 1 suppliers.
- In 2024, we mapped a total of 426 lower-tier sites, including laundries, dyers, and fabric suppliers.
- Of these 426 lower-tier factories, 36% reported being part of one or more social compliance inspection systems, such as BSCI, SLCP, SA8000, SMETA, or WRAP.

2

For 98% of our tier 1 suppliers, we have mapped at least 1 lower tier

Factory compliance

WE Fashion has been working to improve the social conditions of workers involved in production since 1998. It's essential that working conditions are monitored and that factories are encouraged to implement meaningful improvements – from eliminating environmental and safety hazards to respecting women's rights and ensuring workers' voices are heard. These efforts lead to real progress in the lives of workers throughout the entire supply chain.

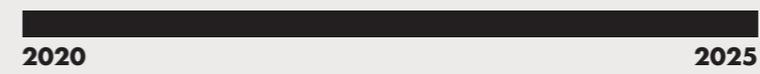
Factory compliance was identified as a risk early on and became the starting point of our Corporate Social Responsibility (CSR) approach more than 20 years ago. Through our factory compliance programme, we've gained a clearer understanding of what happens in the factories we work with and can monitor various aspects of working conditions. Since 2015, we only work with factories that provide insight into their working conditions, allowing us to collaborate on improvements. This insight is gained through independent audits carried out by third-party audit firms. Currently, 83% of our suppliers use the amfori BSCI standard. To reduce audit fatigue, we also accept audits based on SA8000, SEDEX SMETA, WRAP, SLCP, and FSLM.

These social audits cover a wide range of topics, including social management systems and the cascade effect, worker involvement and protection, freedom of association and collective bargaining, non-discrimination and gender equality, fair remuneration, decent working hours, occupational health and safety (OHS), no child labour, special protection for young workers, no precarious employment, no bonded labour, environmental protection, and ethical business practices.

PERFORMANCE 2024

Our goal is that by 2025, 70% of products will come from factories where working conditions are qualified as "good".

2024 → 78%
2025 → 70%



“Good” working conditions are measured by an A or B rating on a social audit, based on the amfori BSCI scoring standards and/or manual scoring of other recognised social standards. In 2024, we achieved a rate of 78%. To continue improving working conditions in the factories producing our garments, this target remains a key focus for the coming year. Priority topics for improvement are outlined under ‘Room for improvement’.

3

78% of factories have “good” working conditions

Our audit monitoring process goes beyond checking scores. The CSR team participates in ongoing training to refine the audit process and stay aligned with best industry practices. As a result, we’ve enhanced our audit procedures by giving extra attention to specific topics such as the protection of migrant workers, gender equity, and childcare. We also perform cross-checks to capture changes over time in factory operations, including workforce turnover and production capacity. To ensure consistency, we follow an audit process manual, which we continue to strengthen. In the coming year, we will consult external stakeholders on our process and manual.

In addition to our social compliance requirements, WE Fashion maintains a strict zero-tolerance policy on child and forced labour. Any instance of such practices found at one of our suppliers is unacceptable and triggers an immediate investigation. Together with other brands, stakeholders, and the supplier involved, we work towards a remediation plan. If remediation is not possible, we initiate our responsible exit strategy.

4

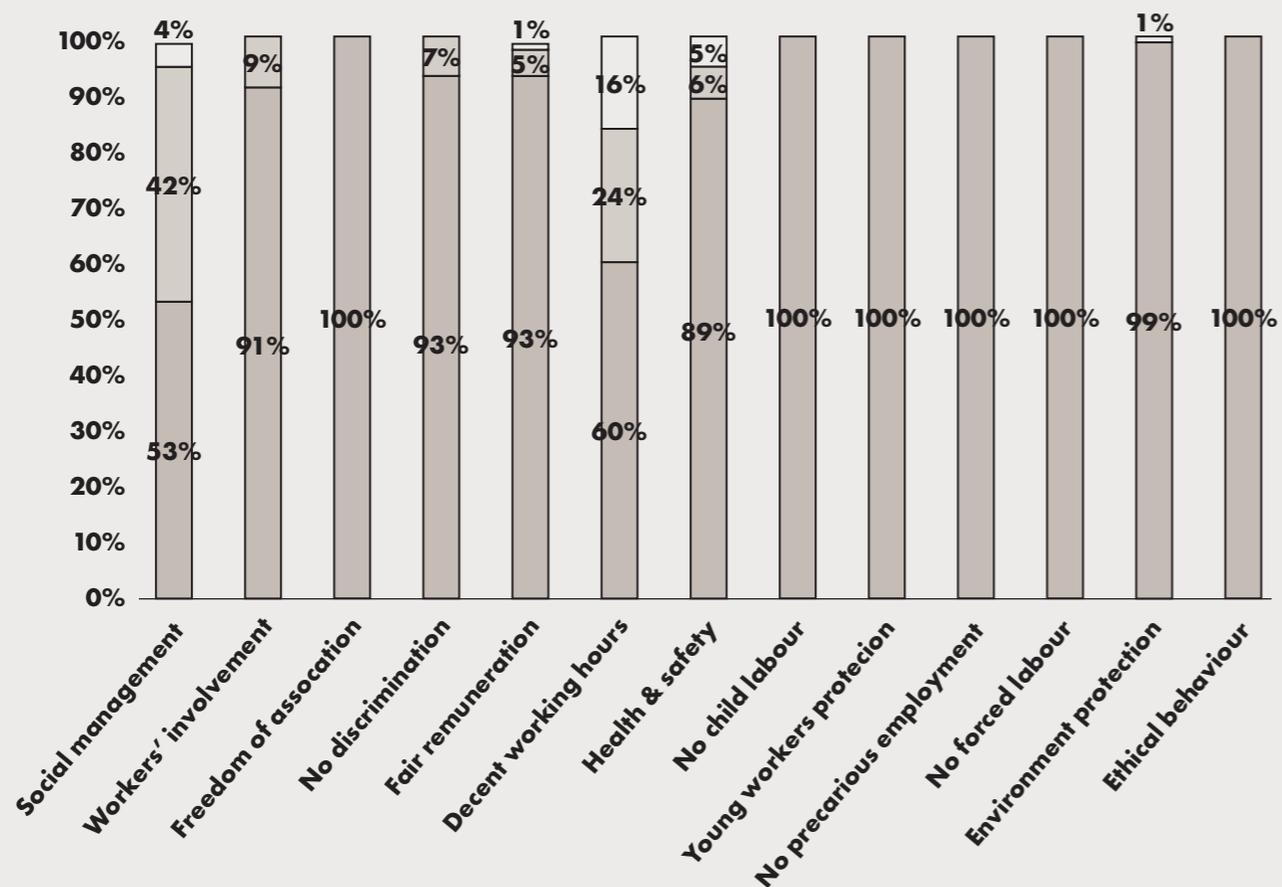
We accept several social compliance standards to relieve factories from audit fatigue. We constantly work on improving our audit process

Room for improvement

We are well aware that there is always room for improvement. Below, you can find the results of factory compliance with the WE® Code of Conduct and our identified main risks.

- 78% of our products (measured by purchase value) come from factories that scored ‘good’ in their most recent social audits using standards such as BSCI, SMETA, SLCP, WRAP, FSLM, or SA8000.
- The remaining 22% (also measured by purchase value) come from factories identified as needing improvement. In their 2024 audits, all but two of these factories received an acceptable (C) rating. One of the two factories that initially scored a D improved to a C rating in its 2025 follow-up audit. The other is no longer part of our supply chain, as the supplier chose to end the collaboration for unrelated reasons.
- Audit results from 2024 revealed that the most frequent issues were found in the areas of social management systems, decent working hours, health & safety, and worker involvement.
- Summary of key audit findings:
 - Social management systems: 46% of factories need to improve the implementation and oversight of their social management practices.
 - Decent working hours: 40% of the factories showed cases where employees structurally or occasionally work too many hours and/or do not receive adequate rest days.
 - Health & safety: 11% of factories had health and safety issues, such as missing protective equipment, lack of safety training, or machinery without proper safeguards.
 - Worker involvement: 9% of factories do not adequately involve workers. Common issues include lack of rights training, absence of long-term worker protection goals, and ineffective grievance mechanisms.

Compliance rating on the performance areas*



*Across all performance areas in our audited tier 1 factories, an E-score has only been recorded twice — both cases related to working hours. We no longer work with one of these factories. Encouragingly, the other showed overall improvement in the follow-up audit for 2025, including progress on working hours. We remain committed to closely monitoring our factories and providing support wherever possible to drive continuous improvement.

Social Management

During social audits, the most frequent issues are found in the performance area of social management. This is a pattern consistent across all high-risk countries in our supply chain. A strong internal management system is essential to ensure a safe and respectful working environment. In many cases, when suppliers lack robust systems to safeguard social and human rights, other audit topics also show more deficiencies. An effective social management system should demonstrate commitment to the Code of Conduct, include internal monitoring procedures, provide ongoing worker training and education, enable a reliable worker complaints mechanism, involve workers and their representatives in discussions on workplace matters, and promote awareness of rights and responsibilities among workers.

To support improvements in social management, we encourage factory management to build their knowledge through (online) training and workshops. The amfori platform provides suppliers access to a wide range of resources on topics such as labour rights, capacity planning, and worker engagement. In addition, WE Fashion actively participates in various social projects aimed at improving social compliance in factories. You can read more about these initiatives in the section 'Room for Improvement – Worker Involvement'.

Decent working hours

Suppliers and factories must ensure that workers do not exceed 48 regular working hours per week. In exceptional cases, as defined by the ILO, overtime may be permitted, with a maximum of 12 additional hours per week. However, overtime must always be exceptional, voluntary, and paid at a premium rate of at least one and one-quarter times the regular wage. It must also not pose a significantly higher risk of occupational hazards. In addition, workers must receive appropriate rest breaks during the workday and have at least one day off every seven days, unless specific exceptions under collective agreements apply.

Through amfori BSCI audits, we monitor both working hours and overtime pay practices at our factories. Most non-compliances relate to excessive overtime or insufficient rest days between shifts. When developing remediation plans, factory managers often cite capacity planning as a key challenge. This issue is particularly common across the textile sector in China and affects many brands. To support improvements, we encourage suppliers to take part in targeted training sessions

5

WE Fashion committed to the International Accord

available through the amfori platform. In 2024, we specifically urged all our Chinese suppliers to attend training focused on managing working hours responsibly. Due to high participation, an additional session was scheduled. In the coming year, we will continue supporting suppliers in improving their capacity planning.

We also extended this effort internally. Our buying team received training on responsible purchasing practices, including the importance of accurate capacity planning to help suppliers meet expectations without overburdening workers.



Health and safety

During the social audits conducted in 2024, we found that 11% of factories had issues related to occupational health and safety. The most common observations included inadequate safety training for workers, the absence or non-use of personal protective equipment (such as dust masks or gloves), and a lack of essential first-aid supplies. We encourage our suppliers to focus on continuous improvement and implement structural changes in their management systems to consistently raise the standard in this area.

International Accord:

At WE Fashion, health and safety in our supply chain is a top priority. That's why we address these topics not only through social audits but also by joining the International Accord in Bangladesh and Pakistan. The International Accord is a legally binding agreement between global garment brands and trade unions, aimed at ensuring safe workplaces in the textile and garment industry. Factories that are part of the Accord commit to continuous safety assessments and improvements. Compared to standard audit outcomes, we observe that the ongoing oversight provided by the Accord contributes to better audit scores in both Bangladesh and Pakistan.

- In 2023, the Accord was extended to Pakistan. We committed to this expansion and involved our suppliers in the country. As a result, another 7,536 workers in our supply chain are now employed in factories under Accord supervision.
- In 2024, 67% of all workers in our supply chain were employed in factories monitored by the International Accord. This includes 100% of all workers in Bangladesh and Pakistan.

6

100% of all workers in factories where WE Fashion produces in Bangladesh and Pakistan are covered by the Accord

- Over recent years, factories in Bangladesh have rectified 91% of the initially identified issues and 92% of additional findings. Factories that have addressed these concerns are recognised for their commitment to factory safety. However, maintaining this progress requires strong safety policies, procedures, and continuous worker training.
- In Pakistan, 11% of initial issues have been resolved. No additional issues have been identified yet. The relatively low rectification rate reflects several factors: the recent launch of the programme, the complexity of issues found, a limited number of participating factories, and local capacity-building challenges. These numbers are expected to grow as the programme expands and matures.
- The RSC training programme focuses on empowering workers through union presence, safety committees, and comprehensive training. It covers topics like hazard identification, communication skills, and problem-solving. All factories in Bangladesh have started this training programme. In Pakistan, initial safety inspections have taken place, and factories are working on corrective action plans. These plans include Safety Committee training, worker meetings, and access to an independent complaints mechanism.

7

WE Fashion has achieved a 91% remediation rate in Bangladesh. In Pakistan, where the programme only recently began, the remediation rate is currently 11%

8

Together with our partners, we are continuously working to improve the health and safety of workers throughout our supply chain

Workers' involvement

Suppliers are expected to keep workers informed about their rights and responsibilities and to build the expertise needed to integrate these practices effectively into business operations. However, this doesn't always happen. In facilities where worker involvement is limited, there is often a lack of training on labour rights, no long-term plans to safeguard workers, and weak or ineffective grievance mechanisms.

A key element of worker engagement is social dialogue, the open relationship between workers and factory management. When workers can voice their concerns freely and safely, issues can be addressed early on, leading to better working conditions. Creating space for social dialogue brings multiple benefits for both workers and suppliers.

The presence of formal dialogue between management and workers contributes to sustainable business growth. Structured conversations between management and worker representatives help build a high-trust work environment in which workers are healthier, better educated, happier, and more capable of resolving grievances – all of which lead to a more committed and productive workforce. This ultimately leads to benefits as:

- Less absenteeism
- Lower worker turnover
- On-time delivery and fewer delays
- Retained/new clients and orders

9

In 2024, WE Fashion participated in two projects aimed at improving women's empowerment and strengthening social dialogue at supplier locations in India and Bangladesh

To help our suppliers strengthen worker involvement, WE Fashion has participated in several support projects over the years. In 2024, we were involved in the following two:

Women empowerment in India

WE Fashion teamed up with another Dutch clothing company to launch a women empowerment project initiated by a shared supplier. The initiative was carried out by a local expert and trainer, and laid a strong and successful foundation for empowering women in the workplace. It delivered valuable assessments and practical recommendations, which the factory leadership welcomed with clear commitment. Key outcomes included: increased awareness of the importance of gender inclusion, plans to grow female leadership through management training and hiring female graduates, and the launch of female-only skill development programmes, expected to scale up in the next one to two years.

The project fostered trust and collaboration between all stakeholders. It resulted in a tailored action plan focused on sustainable growth, mentorship programmes for trained women, and continuous training to support well-being and inclusion. Overall, the initiative was seen as a meaningful journey that helped empower the workforce, improve women’s participation, and set the stage for long-lasting positive impact.

10

In India, we successfully launched skills training and mentorship programmes for women, setting the foundation for increased female leadership within the next 1-2 years

Amplify project

This RVO (Rijksdienst voor Ondernemend Nederland) funded project was carried out in collaboration with other Dutch brands, Mondiaal FNV (an organisation for international solidarity and support, affiliated with the largest trade union in the Netherlands), and the Awaj Foundation (a Bangladeshi organisation focused on workers’ rights and improving working conditions).

The project took a sustainable approach to tackling the root causes of workers’ rights violations in the Bangladeshi supply chain. It aimed to amplify workers’ voices and integrate worker representation into Human Rights Due Diligence (HRDD) processes. By strengthening social dialogue, the project also addressed other human rights concerns, such as child labour, living wages, gender equality, and protection against discrimination and harassment. The project helped create a permanent structure where working conditions and labour rights issues can be discussed, and where actions for improvement can be followed up effectively.

It was implemented at two selected suppliers in the garment sector, located in the Narayanganj district just outside Dhaka. Management teams at these factories received training on the importance of an effective social dialogue structure, while workers were trained on their labour rights. Trained consultants supported the organisation of fair and open elections for the workers’ committees and helped the elected members build a functional and effective system of worker representation. As a result, 5,400 workers are now better represented by an active worker committee.

The project, known as Amplify, concluded with an evaluation in January 2024 and a final report in March 2024. We are currently nominating other suppliers in Bangladesh to expand the programme.

11

In Bangladesh, we enhanced worker-management dialogue and brand policies through open elections and targeted training sessions. As a result, 5,400 workers are now better represented by a functional and active worker committee

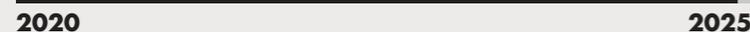
Addressing child labour

Unfortunately, child labour still exists in many parts of the world. Within our supply chain, certain materials, regions or countries are at higher risk of being linked to child labour. One of the goals in our sustainability strategy is: "We only accept products from factories that are free of child labour, discrimination, and gender issues." We measure progress on this goal through the 'no child labour', 'no discrimination', and 'no forced labour' performance areas in our social audits. At this moment, we are achieving a 98% compliance rate. The remaining 2% of issues are found in the 'no discrimination' area, primarily due to a lack of internal assessments on discriminatory behaviour and/or its root causes. In the coming year, we will support our suppliers in addressing these remaining issues.

PERFORMANCE 2024

We only accept products from factories that are free of child labour, discrimination, and gender issues.

2024 → 98%
2025 → 100%



12

98% of our products come from factories free of discrimination, we will support the remaining 2% in strengthening their anti-discrimination policies

13

100% of our products are made in factories free of child labour, according to independent social audits

14

WE Fashion has a dedicated Child Labour Policy in place

Results of activities to mitigate child labour, discrimination, and gender issues:

- WE Fashion has published the WE® Child Labour Policy, which can be found on wefashion.nl/we-care/transparency.
- We are currently revising the WE® Child Labour Policy and gathering feedback from external stakeholders as part of the process.
- When child labour is found in a factory, it's crucial not to immediately sever ties, but to focus on remediation – provided very strict conditions are met, as outlined in our policy.
- As child labour is more likely to occur in the lower tiers of the supply chain, WE Fashion puts dedicated effort into mapping all facilities involved, including fabric suppliers, spinning mills and washing facilities.



Mitigation of forced and bonded labour

Modern slavery remains a serious issue in many of our sourcing countries. Through social audits, we assess whether factories comply with the forced labour policy set in our Code of Conduct. However, we recognise that audits alone don't always reveal the full picture. That's why we aim to strengthen collaboration with local NGOs, to help prevent forced labour in our supply chain and raise awareness at both management and worker levels.

Global supply chains for raw materials, including agricultural products relevant to our business, are often long and complex. This limits our direct influence and makes it more challenging to fully understand or effectively address issues that may arise. Nevertheless, WE Fashion only accepts products from factories that are free from forced and bonded labour, and we are committed to supporting efforts to eliminate all forms of forced labour.

Within our supply chain, we have identified several materials, regions and countries linked to forced or bonded labour. The main risk areas include: modern slavery in China, Cambodia, Myanmar, Bangladesh, and Mauritius, the Sumangali scheme in Tamil Nadu, India, state-imposed forced labour in Xinjiang, and risks associated with cotton production.

Results of activities against forced labour:

- WE Fashion has published the WE® Forced Labour Policy, available at wefashion.nl/we-care/transparency. We are currently in the process of updating this policy.
- In mid-2020, WE Fashion instructed its suppliers to stop sourcing cotton from China's Xinjiang province, due to concerns about mass human rights violations, including state-imposed forced labour. This ban is now formally included in our WE® Code of Conduct.
- WE Fashion has also signed the Call to Action on human rights in Xinjiang. The call addresses allegations of human rights violations, particularly the recruitment of Uyghur workers under conditions that may involve forced labour. We remain deeply concerned about the global prevalence of forced labour.

- For all certified products, we cross-check supplier documentation with sustainable certificates and transactional data on fabric supplier locations to verify that no cotton originates from Xinjiang or other high-risk areas.
- Nearly all of our cotton is sourced through Better Cotton, complemented by a small share of organic and recycled cotton. Better Cotton has a strong "Decent Work" strategy, including zero-tolerance for forced labour. Due to access limitations, Better Cotton has suspended licensing in regions with elevated forced labour risks, such as Xinjiang, meaning cotton from that region is excluded from Better Cotton licensing.
- In 2024, our sustainability team provided training to the buying teams on responsible buying practices.
- In 2023, WE Fashion signed the AAFA/FLA Apparel & Footwear Industry Commitment to Responsible Recruitment, a collective industry initiative aimed at addressing forced labour risks, particularly for migrant workers. We continue our commitment in 2024 to support fair treatment across the apparel, footwear and travel goods supply chains.

15

WE Fashion has specific policies on Child Labour, Forced Labour, and the use of cotton material

Collective action

By monitoring social performance through audits and social projects, by staying informed on global developments, and by maintaining close contact with (local) stakeholders, we strive to identify and act on urgent issues in our supply chain as they arise. An additional way we work to improve labour conditions is through participation in multi-stakeholder initiatives, such as the International Accord. In 2023, WE Fashion also joined a country working group in Mauritius and the Multi-Stakeholder Alliance for Decent Employment in the Myanmar apparel industry (MADE in Myanmar), continuing this commitment into 2024.

MADE in Myanmar Programme

In February 2021, the elected civilian government led by Aung San Suu Kyi was deposed and the military declared a one-year state of emergency. In August 2021, this state of emergency was extended. The military coup has led to an unstable, uncertain and unsettled situation that put human rights under pressure and in which power has been concentrated with the military rulers since 2021. In 2022 The Ethical Trade Initiative (ETI) conducted a country-wide assessment, which presented several severe issues in the sector. This report also pointed out that it would be the workers themselves who would suffer severely if brands would withdraw their business in Myanmar. We believe, however challenging, it is important to make responsible decisions that impact the workers in the most positive way. Therefore, we continue our business in Myanmar with a heightened human rights due diligence process.

As part of our heightened human rights due diligence process, we are a member of the Multi-Stakeholder Alliance for Decent Employment in the Myanmar apparel industry (MADE in Myanmar). This initiative is a collaboration between the EU, EuroCham, SMART Myanmar, Sequa (a German NGO), various brands, and local stakeholders. The programme focuses on strengthening and safeguarding responsible business practices within the textile, clothing, and footwear sectors. It includes three key components:

- The SMART Factories Programme provides training and advisory support to garment factories. This includes programmes on environmental management, social compliance, workplace relations, and additional workshops on HR management, chemical management, communications, and social dialogue. Factories undergo comprehensive assessments by an expert team. Based on the findings, facilities are given several months to address identified issues and are encouraged to participate in relevant training sessions. Depending on their scores, factories are reassessed annually or biannually.
- The Forum on Supply Chain Conduct serves as a collaborative platform for industry-wide dialogue and fosters bi-partite relationships between employers and workers. It acts as a public knowledge hub, raising awareness of heightened due diligence among stakeholders. The forum also offers capacity-building for companies and business associations on legal compliance, supports labour rights organisations and trade unions, and facilitates the establishment of

grievance mechanisms to promote accountability and effective dispute resolution.

- The Centre for Women's Advancement supports female workers with a range of services including a nutrition help desk, sewing training, computer and business skills courses, peer group support, and psycho-social assistance.

Additional initiatives as part of our heightened human rights due diligence process in Myanmar include:

- **Increased collective action**
WE Fashion has limited individual leverage in Myanmar, making collective action essential for responsible sourcing. We maintain ongoing contact with other brands active in the country, as well as with local stakeholders such as the Myanmar Centre for Responsible Business (MCRB) and the Myanmar Industry Craft Service-Trade Unions Federation (MICS-TUsF). We are also a member of EuroCham (European Chamber of Commerce), which provides us with up-to-date insights into the evolving situation.
- **Enhanced monitoring processes**
To track developments at supplier facilities, we apply a cross-check method for all audit results in Myanmar. Key focus areas include workforce composition, working hours, grievance systems, worker committees, employment contracts, and health & safety. We coordinate with audit companies beforehand to align on priority topics, and follow up after audits to discuss key findings. Additionally, we work on improving remediation plans using guidance from amfori's Human Rights in Myanmar resource and encourage suppliers to join relevant training programmes.
- **Capacity building**
Given the complexity and fluid nature of the situation in Myanmar, local engagement is vital. Our sourcing partner has appointed a dedicated local staff member whose role is to maintain direct contact with our suppliers and provide on-the-ground support where needed.

Grievance mechanisms

Strengthening social dialogue and worker participation within factories is essential for building trust between workers and management. When that relationship is strong, concerns can be raised and resolved more effectively. However, some issues require more robust systems. Sensitive topics like child labour, discrimination, or gender-based concerns can be particularly difficult for workers to report, especially when there’s a risk of retaliation. In unsafe or unsupportive environments, complaints may be mishandled or ignored, and workers can face verbal or physical violence – or even lose their jobs – simply for speaking up.

At WE Fashion, we believe that everyone involved in our supply chain should have a safe and accessible way to file a complaint if their rights are at risk. This principle aligns with the United Nations Guiding Principles on Business and Human Rights (the Ruggie Framework). As a brand, we can support workers by fostering open dialogue and providing access to safe reporting channels. External grievance mechanisms are a valuable tool to help ensure that all stakeholders – especially vulnerable workers – can raise complaints. WE Fashion actively promotes the implementation of effective grievance systems and supports several pathways to help workers raise their concerns safely and constructively:

- **Amfori - BSCI and Speak for change (S4C)**

WE Fashion is proud to be a member of amfori BSCI, an initiative that helps factories establish effective internal grievance mechanisms. These systems ensure that worker complaints are received, documented, and addressed. While internal mechanisms provide a solid foundation, WE Fashion is committed to further improving access, transparency, and accountability across the entire supply chain. As part of this commitment, we also acknowledge the value of externally monitored grievance mechanisms, which offer safe, inclusive, and independent channels for workers to raise their concerns.

To support and enhance the grievance systems of business partners, amfori has partnered with Ulula – a technology company focused on stakeholder engagement and improving working conditions within supply chains. This collaboration led to the launch of the Speak for Change (S4C) programme.

S4C enables workers, communities, and their representatives to report concerns that have not been resolved through internal systems. Reports can be submitted via accessible platforms such as phone, online forms, or chat applications. Each complaint is then investigated and made visible to the relevant brands, supporting joint efforts towards effective remediation.

By supporting the implementation of S4C, WE Fashion gains access to actionable insights that help reduce operational risks, strengthen supply chain compliance, and meet both current and emerging human rights due diligence requirements.

In addition to its initial rollout in Vietnam, Türkiye, Bangladesh, and four Indian states, S4C expanded to Cambodia in April 2024. During the onboarding phase, 10% of Cambodian business partners participated in a live training session to learn how to implement the programme at their factories.

To date, amfori has supported members with a variety of S4C cases across all five countries – with the highest number occurring in Türkiye and Bangladesh. The two most frequently raised concerns have been decent working hours and fair remuneration.

Insights gathered from implementation across these regions have revealed areas for improvement. As a result, the S4C programme is being revised to improve its effectiveness. The updated version is expected to roll out gradually in 2025, with expansion planned to additional countries – including China.

- **Principles of Speak for Change**



16

91% of workers in our production locations currently have access to an external grievance mechanism

17

Seven out of the ten high-risk countries where WE Fashion produces are now covered by an independent complaints system

18

We organised Responsible Purchasing Practices training sessions for all our buyers

International Accord

All factories WE Fashion works with in Bangladesh and Pakistan fall under the International Accord, giving workers access to its formal grievance mechanism. As a result, 67% of workers in our supply chain are able to report complaints in their native language. The Accord focuses specifically on health and safety-related complaints. Any complaint outside that scope is forwarded to the brands operating in the factory. Together with the supplier and affiliated trade unions, the brand then seeks a resolution through collaborative dialogue.

MADE Myanmar hotline

As part of the MADE in Myanmar programme, a dedicated hotline has been established to address labour and human rights concerns in Myanmar’s garment sector. This external grievance mechanism provides workers with a confidential and accessible way to report issues and seek resolution. With the inclusion of Bangladesh, Pakistan, Vietnam, Türkiye, India, Cambodia, and Myanmar, seven of the ten high-risk countries in which WE Fashion operates now have access to an external complaints mechanism. This means that, as of 2024, 91% of workers in our supply chain are covered by an independent grievance channel – a notable increase from 78% in 2023. This progress reflects our ongoing commitment to ensuring that workers’ voices are heard, protected, and respected throughout our supply chain.

In addition to these external systems, all stakeholders are welcome to report (potential) misconduct in our supply chain directly by contacting our CSR team at CSR@wefashion.com.

Buying practices

Through its buying practices, WE Fashion has a direct impact on human rights within its supply chain. While responsible purchasing strengthens relationships with suppliers, aggressive price negotiations, inaccurate forecasting, late orders, and last-minute changes can put those relationships under pressure. When suppliers are forced to absorb these challenges, it may lead to poor working conditions or lower wages for workers.

WE® has implemented a two-way Code of Conduct (CoC) that outlines mutual responsibilities, not only for our suppliers but also for WE Fashion itself. The Code sets clear standards on key issues such as safe working conditions, prohibition of child and forced labour, and responsible purchasing behaviour. This agreement is signed by all suppliers and factories producing for WE Fashion. Each party commits to meeting at least the minimum standards for working conditions, while WE Fashion commits to upholding responsible buying practices in return. We are currently revising the CoC to ensure it aligns with our 2025 goals and ambitions, as well as evolving international due diligence requirements.

In 2024, our CSR team continued to strengthen responsible purchasing practices by organising follow-up training sessions for our buying departments. These sessions built on the awareness raised in 2023 and focused on deepening knowledge around Responsible Purchasing Practices (RPP) and social policies. The trainings also encouraged practical dialogue between CSR and buying teams, equipping buyers with the tools to make more informed and responsible decisions in their day-to-day work.

Wages & Social Dialogue

Over the past few years, WE Fashion has conducted in-depth research into the wages paid to workers in the factories that produce our products. This includes data from both direct suppliers and subcontractors, with a particular focus on the lowest wages paid within each facility. We require all factories to pay at least the statutory minimum wage or the prevailing sector wage, as defined by national or regional regulations. If a factory fails to meet this requirement, it must take immediate corrective action in order to continue supplying WE Fashion.

To better understand wage conditions across our supply chain, WE Fashion conducts an annual wage gap analysis using benchmark data from the Global Living Wage Coalition.

A living wage is defined as a wage sufficient to meet the basic needs of a family of average size in a given country – including food, housing, healthcare, education, and savings. In many of our sourcing countries, the legal minimum wage falls short of this standard. This wage gap increases the risk of overtime, child labour, and forced labour, making the payment of a living wage a key risk area in our high-risk sourcing countries. Achieving living wages, however, is a highly complex challenge. Some of the main barriers include: A lack of robust tools to monitor living wage progress, limited leverage at supplier level, and low awareness and understanding of living wage at factory level.

We believe that collaboration and local engagement are crucial to making progress. That’s why our living wage strategy begins with social dialogue — building stronger communication and trust between workers and management. When this dialogue improves, complex issues like living wage become more approachable and actionable.

Our focus, therefore, is on launching and supporting collaborative social projects that foster dialogue and long-term improvement at supplier level.

PERFORMANCE 2024

Each year, WE Fashion will carry out a project with a focus on social dialogue and/or living wage.

2024 → ✓
2025 → 100%

To support our living wage ambitions, WE Fashion is committed to running annual projects that address various aspects of this complex issue. These focus areas include: monitoring wage levels, developing tools for wage measurement, building supplier knowledge on living wage standards, strengthening social dialogue and freedom of association, supporting the implementation of collective bargaining agreements, and improving our own procurement practices and internal policies.

In 2023, we launched the Amplify project in collaboration with Mondiaal FNV and other brands. This programme addresses both factory-level social dialogue and WE Fashion’s internal purchasing practices. As part of Amplify, we held dedicated training sessions for our buying teams on Responsible Purchasing Practices (RPP).

In 2024, we built on this foundation with two additional training sessions focused on social policy, aimed at further aligning our internal teams with our broader human rights objectives.

Currently, we are exploring opportunities to expand the Amplify project to include more suppliers in Bangladesh, to scale our impact and deepen supplier engagement.

19

100% of factories supplying to WE Fashion pay at least the legal minimum wage or more

20

In 2024, WE Fashion conducted the Amplify project in collaboration with a labour union, one of our key suppliers, and other brands — focusing on improving social dialogue at factory level

21

All WE® buyers received follow-up training on social policies in 2024, building on previous training sessions to strengthen awareness and alignment across teams

MAKING OUR PRODUCTS & PROCESSES MORE SUSTAINABLE



WE Fashion aims to minimise its environmental footprint by using more lower impact fibres and materials, and by using cleaner techniques for production. Reducing the use of water, chemicals, and energy during production is a key priority – as is cutting down on waste. This helps lower the overall impact of our products, which benefits both the environment and the people who live in it.

In 2024, 58% of the raw materials in WE Fashion’s collections was cotton. By choosing more sustainably sourced materials, we not only reduce the use of water, chemicals and pesticides, but also improve the livelihoods of farmers and their families in cotton-producing countries. That same year, 71.2% of our total collection was made using more sustainably sourced materials, largely thanks to the use of sustainably sourced cotton and recycled polyester. In fact, 100% of the cotton we source is more sustainably sourced, helping reduce the environmental impact of our products. For detailed targets per material, visit our Sustainable Materials Commitment on www.wefashion.com/nl_NL/we-care/transparency/.

Besides material use, the production processes themselves – including chemical treatment, water consumption, and energy usage – leave a significant footprint. That’s why WE Fashion is working towards cleaner environments in and around manufacturing sites. By mapping our tier 2 and, where possible, tier 3 production locations, we aim to gain deeper insight into processes like fabric making, washing, and dyeing. These stages are often the most resource-intensive, and they account for a large share of a garment’s environmental impact. With more visibility across our supply chain, we’re better equipped to identify risks and take targeted action for improvement.

Our efforts to create better products support Sustainable Development Goals 6, 7, 12, 13, and 15.



Sustainable materials

WE Fashion is proud to report that 100% of the cotton sourced for our collections is now more sustainably sourced. This includes certified organic cotton, recycled cotton, and cotton sourced through the Better Cotton initiative. We actively support better farming practices and better practices across the cotton industry.

PERFORMANCE 2024

Our goal is to source 100% more sustainable cotton by 2021.

2024 → 100%
2025 → 100%



In 2024, we saved an estimated 138,045.533 litres of water, thanks to our sourcing of Better Cotton.

Better Cotton is sourced via a system of Mass Balance and is not physically traceable to end products. See bettercotton.org/massbalance for more details.

Thanks to sourcing 2,471 metric tons of Better Cotton in 2024, we contributed to:

- An estimated avoidance of 190 kg of pesticide active ingredients.
- An estimated 138 million litres of water saved.

Based on our sourcing of 2,471 metric tons of Better Cotton in 2024, WE Fashion also made contributions to support farmers decrease their pesticide active ingredient use by an estimated 19.4% and their water use per metric ton of cotton lint by an estimated 8.4% in the last 3 seasons. BCI Farmers can experience profit increases for a variety of reasons, most commonly due to increased yields and/or optimised use of inputs (such as irrigation water, pesticides, or synthetic fertiliser).



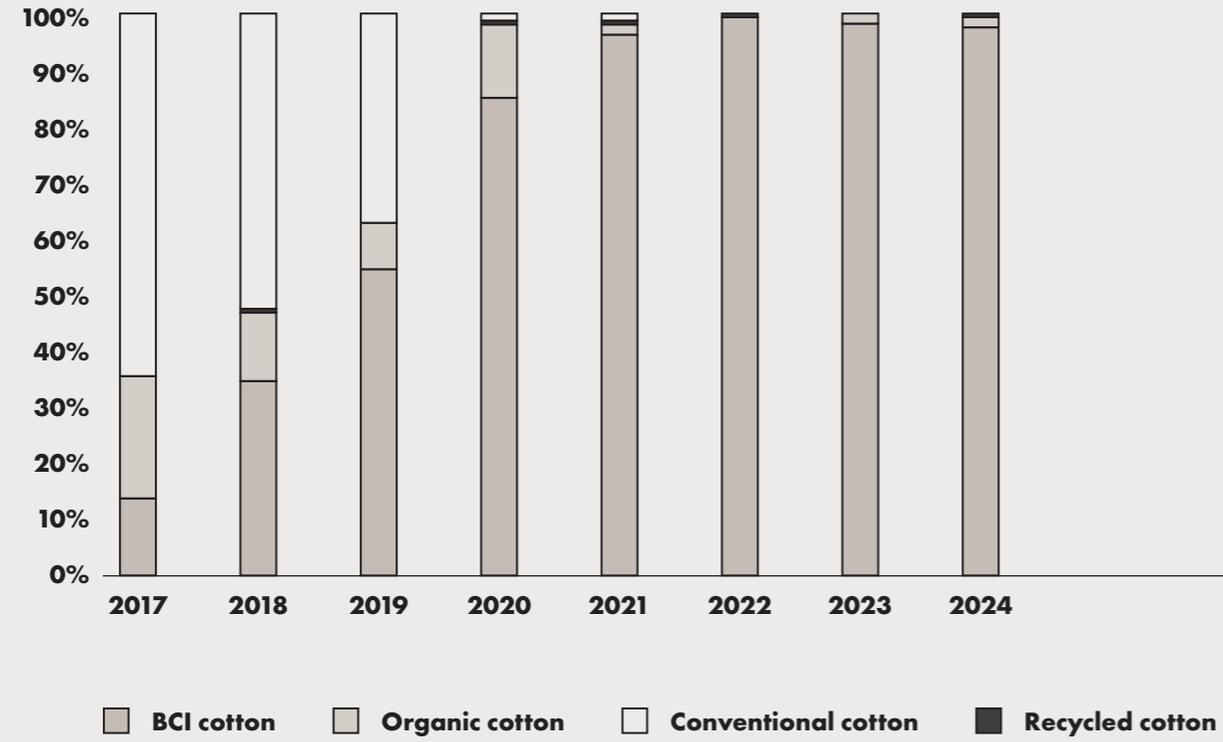
22

100% of cotton has been more sustainably sourced

23

In 2024, 71% of our entire collection was made using more sustainably sourced materials

More sustainably sourced cotton



24
96% of our kids' swimwear collection is made from recycled materials

25
78% of our women's cotton jersey tops are made with certified organically grown cotton



Animal welfare

Animal welfare is an essential part of ethical trading. All products – or parts of products – made for WE Fashion must be produced without causing harm or cruelty to animals at any stage in the supply chain. In consultation with FOUR PAWS, we updated our animal welfare policy in 2022. You can find it on www.wefashion.com/nl_NL/we-care/transparency.

Some materials used in WE Fashion’s collections can pose risks to animal welfare. In previous years, we’ve banned the use of fur, exotic skins, angora wool, and down. We still use leather and merino wool – two materials where animal welfare concerns may arise.

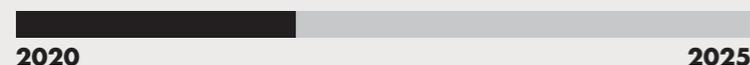
More sustainable wool comes from farmers who prioritize animal welfare and practice responsible land management. We’re working towards using only animal-friendly materials and have already taken steps to integrate certified wool into our collections.

After exceeding our goal in 2023 (sourcing more sustainable wool), we reached a level in 2024 where 46% of all wool yarns we select comes from a chain with clear requirements for animal welfare and the environment. Alongside wool, we also use two other animal-derived materials: leather and silk (respectively 18.5% and 0.8% share of all animal derived materials we buy).

PERFORMANCE 2024

Our goal is to use 100% animal-friendly materials by 2025 (mainly wool).

2024 → 38%
2025 → 100%



Results of working towards the uptake of animal-friendly materials in WE Fashion’s collections:

- To prevent parasitic infections like flystrike, some farmers use mulesing, a practice that involves removing strips of wool-bearing skin from around the breech of highly wrinkled merino sheep. While effective, this method can be painful for the animal. Mulesing is still a common practice in Australia. In the past, we were able to trace back the origin of the merino wool to South Africa, where farmers use alternative methods to prevent flystrike. This was verified through supplier documentation and declarations. Since 2023, we’ve been shifting towards certified wool yarns, which we believe not only help prevent mulesing but also support better land management practices.

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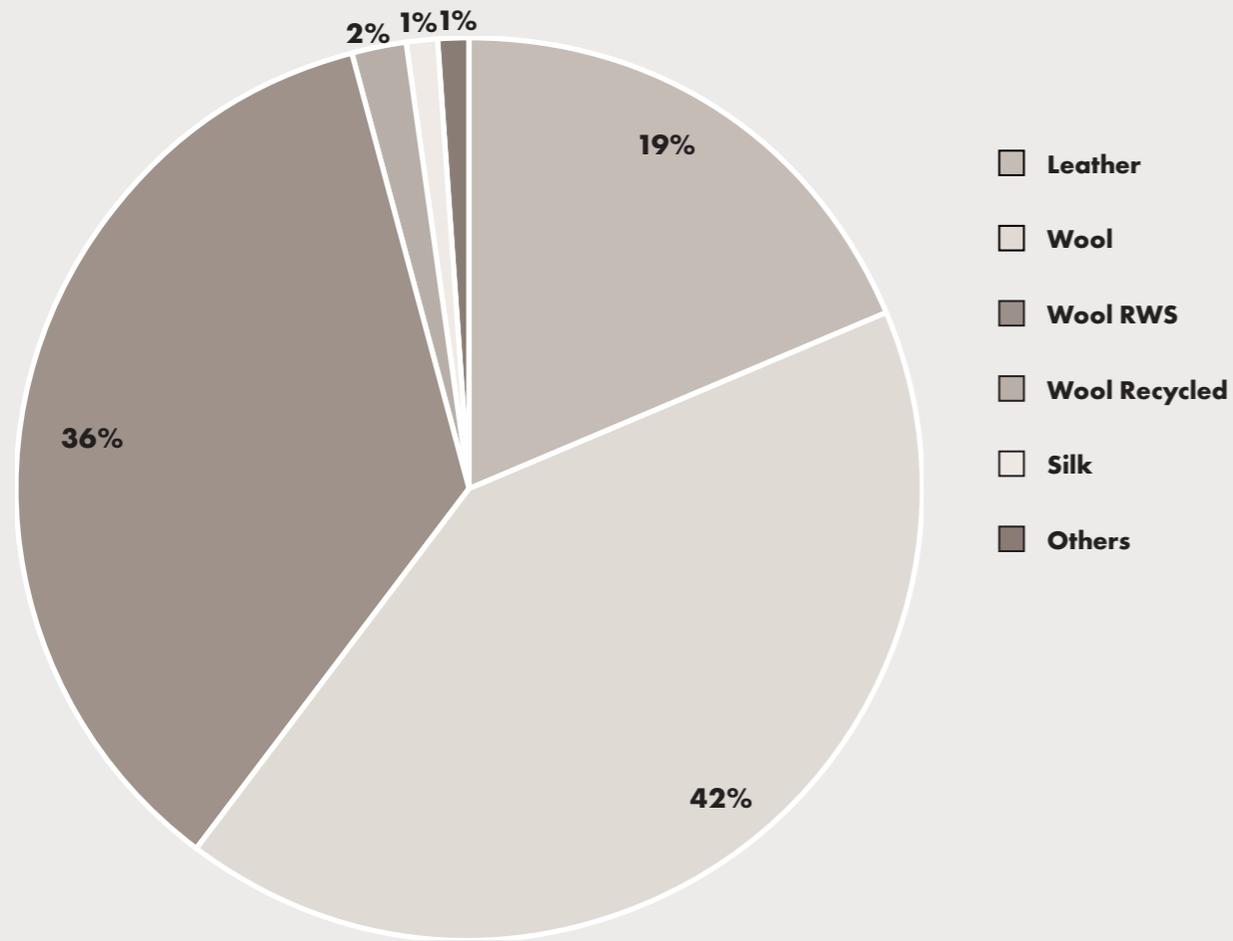
All leather used in our products comes from LWG-certified tanneries

- For certified wool, we mainly focus on the Responsible Wool Standard (RWS) by Textile Exchange. In 2024, we began the process of obtaining our own certification. As of March 2025, WE Fashion is officially certified for RWS (Responsible Wool Standard), RMS (Responsible Mohair Standard), and RAS (Responsible Alpaca Standard).
- Although leather makes up 19% of our animal-derived materials, it accounts for just 0.3% of our total collection – down from 1.4% in 2019. Currently, there are no global standards that ensure animal welfare across the leather supply chain, making progress on this front challenging. However, we believe this issue remains important. WE Fashion is a proud member of the Leather Working Group (LWG), an organisation committed to reducing the environmental impact of leather tanning. As members, we use our influence to advocate for greater supply chain transparency, which is an important step to create better husbandry. All the leather we use comes from LWG-certified tanneries.

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At WE Fashion, we do not use down in any of our products

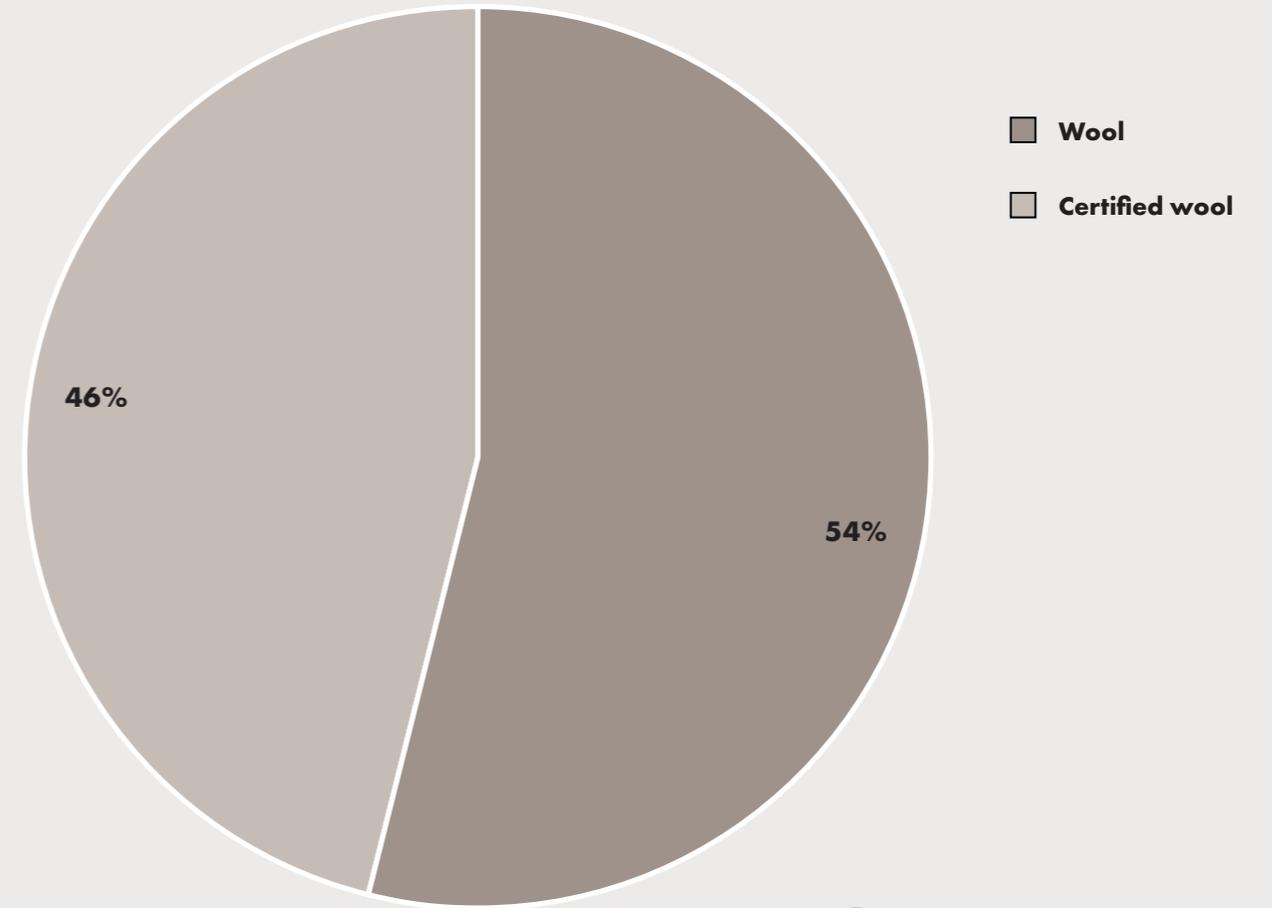
Animal-derived material use



28

In 2024, 46% of all purchased wool yarns were certified

Use of certified wool



29

We began the certification process for RWS, RMS, and RAS in 2024 and became officially certified in 2025

Recycling and circular business models

WE Fashion currently operates within a predominantly linear business model, but we've made meaningful strides towards a more circular industry. For example, the use of recycled materials in our collections has steadily increased over the past years. Since waste has a significant negative impact on the natural environment, recycling helps reduce pollution from waste and limits the demand for virgin raw materials, helping to preserve natural resources.

In 2022, we updated the WE® sustainable materials goals for polyester and polyamide, with (among other things) a focus on shifting from virgin-based to recycled materials. You can read our full commitment on sustainable materials at www.wefashion.com/nl_NL/we-care/transparency.

Beyond recycling, circular business models also include reduction, reuse, and repair as feasible options to reduce the use of natural resources, as well as extend the lifespan of products to stop the generation of industrial and consumer waste. These approaches are essential for the transition to a more resource-efficient, circular economy. One of our contributions is the introduction of a 365-day guarantee on our collections, supporting product durability and reuse. In 2025, we will update our circularity strategy, which will be detailed in our next Sustainability Report.

By collecting worn garments from customers in all our stores, we reduce the total amount of textiles ending up as waste. Our partnership with ReShare helps give these clothes a second life.

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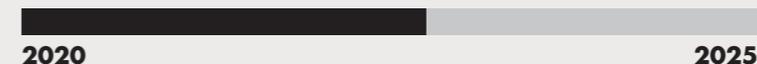
Our stores offer drop-off points for old garments, collected together with ReShare

In 2023, the European Extended Producer Responsibility (EPR) for textiles came into effect. This makes producers, including manufacturers and importers, responsible for the collection, reuse, and recycling of textile waste. To date, two countries where we sell directly – France and the Netherlands – have already translated this into national regulations. In France, organisation Refashion was established to manage waste prevention and end-of-life solutions on behalf of textile companies. In the Netherlands, the Uitgebreide Producentenverantwoordelijkheid (UPV) was introduced, and in 2023, Stichting UPV Textiel was founded to develop a circular textile value chain through collective action. WE Fashion has been an active member since the beginning, participating in expert groups and serving on the board. Since the end of 2024, our CEO has served as board chairman of Stichting UPV Textiel. The goal of Stichting UPV Textiel is ambitious but necessary: to collect, reuse, or recycle 50% of all textile products brought to market by 2025, 75% by 2030, and 100% by 2050. For more information, please visit the Stichting UPV Textiel website: <https://www.stichtingupvtextiel.nl/en/>

PERFORMANCE 2024

Our goal is that 20% of the materials used will be made from recycled fibres by 2025.

2024 → 11%
2025 → 20%



Results of working towards the uptake of recycled fibres in WE Fashion’s collections:

- In 2024, the use of recycled material in our collections grew from 2% (2020) to 11%. The recycled materials concern polyester, wool, cotton, polyamide, and acrylic. In 2024, all recycled fibre yarn for WE Fashion were certified according the Global Recycle Standard (GRS) or the Recycled Claim Standard (RCS).
- A key part of our effort is the use of certified recycled polyester. In 2024, 41% of the polyester used in our collections was certified recycled, an increase from 34% in 2023. Choosing recycled polyester helps reduce our reliance on virgin fossil-based materials and lowers our overall environmental footprint.

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We stand behind our products with a 365-day quality guarantee

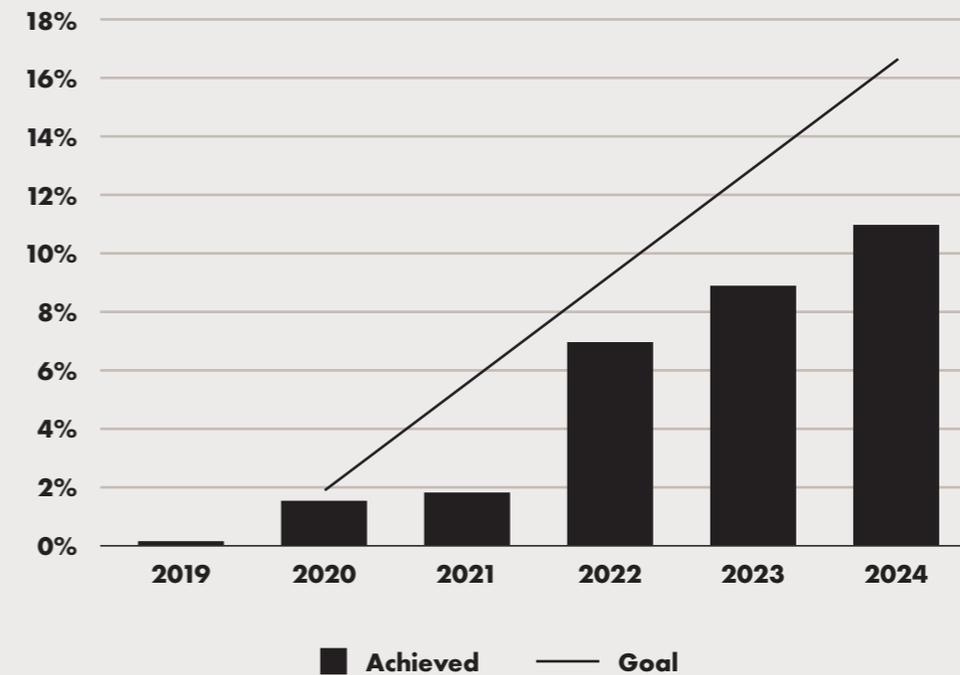
- The use of recycled cotton is still in its early stages. As a first step, some of the boys’ and men’s jeans now contain 20% post-consumer recycled (PCR) cotton.

We do not want to waste any garments that could still be of value to someone. All items we commercially purchase will be sold in our stores, online, through online partners, in outlet sales, in sample sales, or will be donated to charity. We never destroy garments that are still in good condition.

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41% of all polyester we use in our products is recycled polyester

Recycled fibres



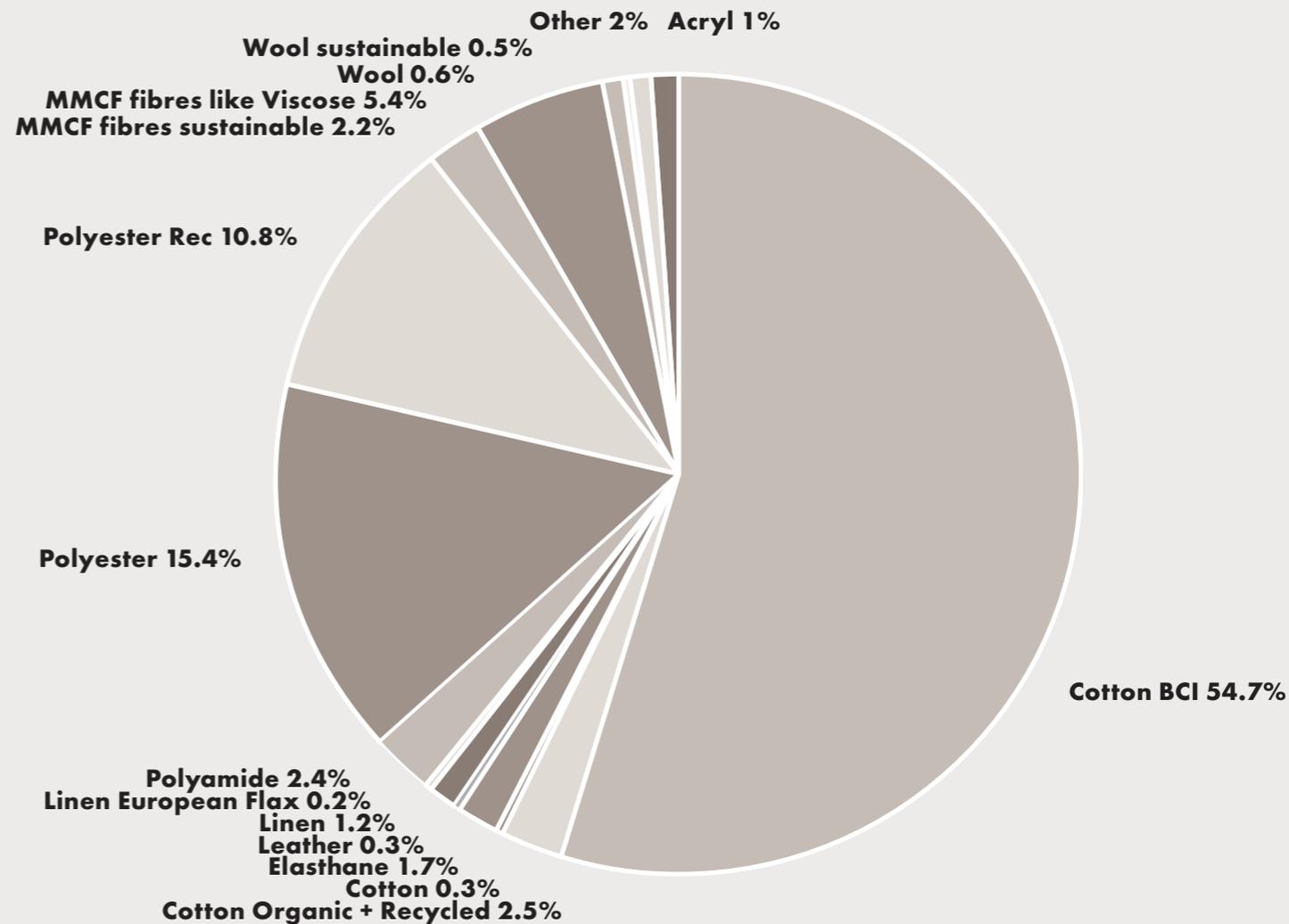
Man-Made Cellulosic Fibres

Man-Made Cellulosic Fibers (MMCFs) are regenerated fibres usually made from the dissolved wood pulp or “cellulose” of trees. Viscose, lyocell, and modal are all types of man-made cellulosic. As they are plant-based, MMCFs are renewable and have the potential to be a lower impact material if the wood is sustainably sourced and the processing chemicals are handled properly.

Two of the most common Man-Made Cellulosics are lyocell and modal, which, like other MMCFs, are made from wood pulp. With lyocell, the wood pulp is dissolved using a non-toxic solvent in a closed-loop system.

The degradation of forests and the loss of natural habitats and biodiversity, often linked to unsustainable wood sourcing and poor land management, are risks associated with all Man-Made Cellulosic fibres (MMCFs). WE Fashion works with fibre producers such as Lenzing and Birla, of which all have responsible wood sourcing policies in place to avoid sourcing from protected or ancient forests. In 2024, we increased the share of more sustainable MMCFs in our collections to 29%, up from 24% in 2023. These fibres, including LENZING™ ECOVERO™ and Livaeco™ by Birla Cellulose™, have a lower environmental impact compared to conventional MMCFs. The total share of MMCFs in our collection remained steady at 8%.

WE® 2024 material use



Products with lower impact from factories with improved practices

Reducing the environmental footprint of manufacturing is essential. It's not just about the materials we use, but also the processes involved in creating the final product. Factories that use renewable energy or reduce hazardous chemicals during processing help minimise environmental harm while conserving energy and natural resources. It's also about ensuring the safety of employees, the products, and the surrounding communities.



WE Fashion sells a wide variety of products in its stores, each requiring different production processes. Some of these have a relatively low environmental impact, while others have a larger footprint. We've identified the following as key risk areas: cotton farming, wet processing, and leather tanning.

We've identified several environmental risks linked to the materials we use. Growing raw materials often requires large amounts of water, pesticides, and fertilisers. Producing yarns and fabrics involves water, energy, and chemical use. This leads to issues such as water scarcity, chemical pollution, land degradation, and greenhouse gas emissions, all of which pose serious threats to the environment and climate.

In our risk assessment, the use of chemicals is flagged as one of the two highest environmental risks. As mentioned earlier, cotton farming is a key area of concern due to its environmental impact. To address this, we are a member of Better Cotton and now source the majority of our cotton through their programme. For more information, please refer to our cotton goals.

To reduce our impact from leather use, we only select leather that has been tanned in Leather Working Group (LWG)-certified factories. The LWG supports leather manufacturers and tanneries manage and adhere to their tannery processes and assesses them based on LWG standards. WE Fashion is also a member of the LWG.

To monitor the use of chemicals, we work with a Restricted Substances List (RSL) to check for the presence of harmful substances in our final products. We also use Higg FEM (Facility Environmental Module) data to track the environmental performance per factory. The Higg FEM helps monitor and improve environmental performance by providing standardized assessments of facility-level impacts across energy use, water consumption, waste management, and chemical usage.

To reduce the extensive use and presence of harmful chemicals, we're focusing on our denim collection to work towards cleaner production techniques in our factories. This includes reducing water and energy consumption, improving wastewater treatment, and adopting innovative methods such as ozone treatment. Some of our key suppliers are already making significant progress and are working with the ZDHC MRSL (Manufacturing Restricted Substances List).

The highest environmental impact during the full production process occurs, assumingly, in tier 2 – the so-called washing and dyeing facilities. These processes may take place within vertically integrated tier 1 factories or in separate facilities. We have already mapped most tier 2 production locations in our supply chain and know where washing and dyeing occurs. However, we're not yet able to track the volume per tier 2 site for all procurement values. Our current focus is on tier 1, where we maintain direct supplier relationships and where environmental impact is also present. We changed our target to "increasing the proportion of tier 1 factories measuring environmental impact by 20% by 2025, compared to the 2022 baseline." This change is due to tier 2's limitations, the greater amount of data at tier 1, the need to reduce environmental impact there, and our stronger influence — helping us focus where we can make the biggest difference.

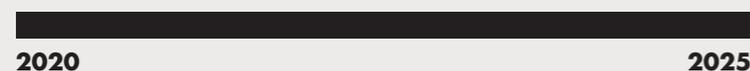
We collect factory-level data through tools such as Higg FEM (self-assessed and verified), Amfori BEPI, ZDHC Roadmap to Zero, and at the product level via Jeanologia EIM scores, and GRS and GOTS certifications.

We acknowledge that the greatest environmental risks remain at tier 2. That's why we will continue monitoring these facilities and their processes, and aim to identify opportunities to express their share in purchase value. In the coming years, we'll deepen our understanding of production impacts and continue shifting toward lower-impact processes using the data we collect.

PERFORMANCE 2024

Our goal is to increase the share of tier 1 factories that measure the environmental impact by 20% versus baseline 2022 by 2025.

2024 → 66%
2025 → 64%



Results of working towards the uptake of more sustainably produced products:

- Together with our suppliers, we're working towards active monitoring of the environmental impact of their factories and processes. To track the use of water, energy, and chemicals – particularly in high-impact areas like denim – we use tools such as EIM, Higg FEM, and MRSL, and are also looking into different initiatives. Our focus on denim stems from its intensive washing and dyeing processes.
- 100% of leather used in 2024 came from tanneries certified or audited by the Leather Working Group (LWG), compared to 48% in 2019. The LWG supports leather manufacturers and tanneries manage and adhere to their tannery processes and assesses them based on LWG standards. Leather represents just 0.3% of our total collection.



- To drive improvements in the environmental performance of facilities involved in our production, it's essential to monitor their processes. We track the engagement and certification status of both first-tier and lower-tier factories using a range of environmental performance systems and certifications. These include: GOTS, OCS, BEPI, LWG, Higg FEM, ZDHC, GRS, and Better Cotton.



OPTIMISING THE WAY WE WORK



At WE Fashion, we take responsibility not only for the well-being and health of our employees, but also for the environment in and around our stores and offices. Everyone should feel empowered to grow and develop within the organisation. Our belief that life is better together is woven into the way we work, from how we collaborate to the service we offer our customers. By inspiring confidence, we help people feel more connected to those around them.

This sense of responsibility extends to our environmental impact. Alongside our efforts to reduce water use, energy consumption, and chemical usage, we're actively working to lower our greenhouse gas (GHG) emissions, which is important to limit global warming.

To reduce energy consumption, we've installed LED lighting in all offices and stores, as well as solar panels on the roof of our warehouse. Our operations now run on 100% green electricity. Nearly all of our company cars – 96% – are electric, and we've invested in expanding charging infrastructure. Since 2023, two of our seven delivery trucks are electric, making up almost 30% of our fleet.

We take a critical approach to waste. Reducing it is a priority, and much of what we generate can be reused or recycled.

All of these efforts support our contribution to the United Nations Sustainable Development Goals: 4, 5, 7, 12, 13 and 15.



Diversity and Inclusivity

Diversity and inclusion (D&I) have always been central to WE Fashion. We believe life holds more meaning when it's lived and experienced together – a belief so strong, it became the foundation of our entire business.

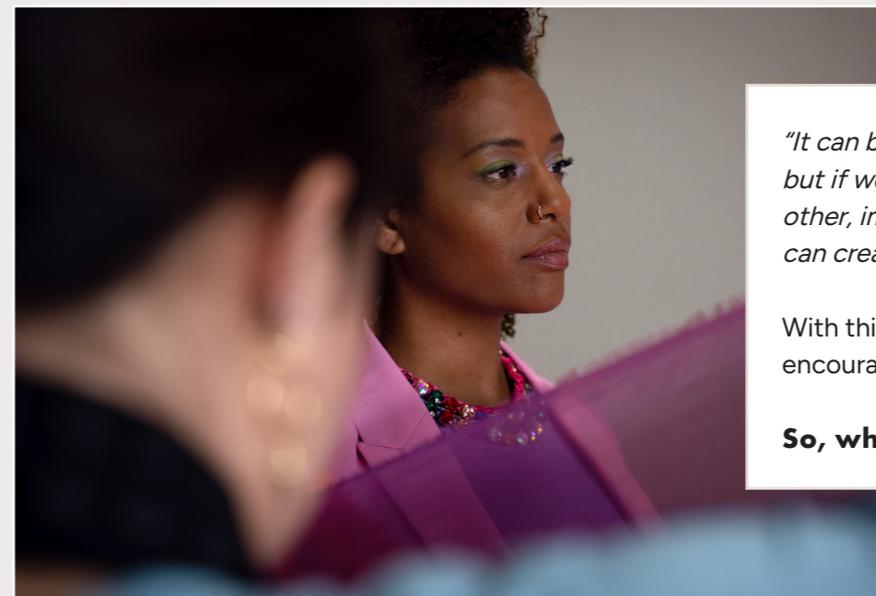
At WE®, we proudly highlight our connecting culture and actively support a more tolerant, inclusive society. In 2022, we took tangible steps to bring this belief to life: establishing a D&I Council, embedding D&I more deeply in training, development, and marketing, and spotlighting the topic at our annual company meeting.

In 2023, we continued to build on this momentum. We signed the SER Diversity Charter and launched “Safe Spaces” in all WE® stores. We believe D&I is not a one-time initiative. It's a continuous journey that evolves with us. Each year, we reflect, adapt, and introduce new ideas to keep moving forward. Here are some highlights from 2023:

- Our “Safe Spaces” remain a constant in all WE® stores. Fitting rooms are available year-round for anyone who wishes to change freely, comfortably, and without judgment — with respect for everyone's identity.
- On June 7, 2024, we hosted an inspiring workshop led by Dr. Marcia Goddard. Together, we explored what it means to lead inclusively and how we can keep growing as an inclusive organisation.
- We regularly share D&I-focused content with our teams — from podcasts and articles to movies and books. It's how we keep the conversation going and encourage each other to stay curious and open-minded.
- We've introduced gender-neutral restrooms at our head office – a simple but meaningful change that makes our work environment more inclusive for all.
- On October 1, 2024, we celebrated Diversity Day with a town hall reflecting on the importance of diversity at WE Fashion. We unveiled our own D&I logo and surprised colleagues with a special

bag to mark the occasion. A great way of showing our collective commitment to this topic.

- In Q3 2024, we launched a dedicated D&I video that highlights the importance of diversity and inclusion at WE Fashion. This video will be shared internally and featured on our career website: wefashion-jobs.nl/over-ons.
- Finally, in Q3 2024 and Q3 2025, we have organised the ‘Inclusive leadership workshops for our store management teams. Led by our HR department, these sessions focus on how leaders can actively foster an inclusive, safe, and welcoming environment for their teams.
- At WE Fashion, we truly believe that diversity makes us stronger, and inclusivity forms the foundation of great teamwork. It's something we're committed to, together.
- The empowering D&I manifesto created with young talent and spoken word artist Naomi Grant continues to inspire us in 2024 and beyond. You can watch it here: https://www.wefashion.nl/nl_NL/we-care/people/.



“It can be a tough world out there, but if we keep connecting with each other, imagine the great things we can create together”.

With this spoken word, WE Fashion encourages to think and act inclusive.

So, what is your next move?

Healthy work environment

At WE Fashion, we believe life is better when it's lived together — and that belief shines through in our workplace. It shows in how we collaborate and in the way we connect with customers every day.

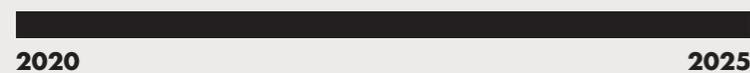
With 77% of our employees being women, it's important that this representation is also reflected in leadership. That's why we've set a clear goal: to ensure at least 33% of our senior management team is made up of women.

PERFORMANCE 2024

Our goal is to maintain that at least 1 in 3 management positions are filled by a woman by 2025.

2024 → 65%* 52%**

2025 → 33%



*Including store managers. **Excluding store managers.



Results of our efforts to promote equal rights and a healthy workplace at WE Fashion:

- Women make up 49% of our board and senior management, and 72% of our store management. In total, 65% of all management positions across the company are held by women – a figure we're very proud of.
- The share of women in leadership positions is one way of expressing the importance of Diversity & Inclusivity. However, it goes far beyond just the percentage of women. We have written this down in our Manifesto.
- On 31 January 2023, the SER Diversity Portal was launched, requiring large Dutch companies to report gender diversity figures. We fully support this initiative and have submitted our data for 2023.
- After signing the SER Diversity Charter, we introduced a specific goal to improve gender balance across all levels of the organisation. Our aim is for at least one in three employees to be male. Currently, 23% of our workforce identifies as male.
- At WE Fashion, every employee has the chance to grow and progress into leadership. Many of our current leaders have developed their careers. from within — and we continue to support that journey for everyone.

2024*	Number of stores	Number of employees	Female	Male	Average age	Illness %
Netherlands	91	1,234	927	307	31.4	6.6%
Belgium	14	98	87	11	38.9	14.6%
Switzerland	26	188	151	37	35.6	6.5%
Total/Weighted average	131	1,520	1,165	355	32.4	7.1%

*Figures are from end of 2024

Education, health, and well-being

At WE Fashion, we believe that everyone on our team should feel like a true WE® ambassador – someone who confidently represents our brand, offers great customer advice, and inspires others with our products. To support this, we launched the WE® Academy: our in-house training programme designed to help employees grow, feel empowered, and deliver the best customer experience possible.

Training is fruitful for both staff and employers of an organisation; it is necessary to create organisational development and success. Well-trained employees become more efficient, productive, and have a better job satisfaction. Inadequately trained employees are likely to have poor job performance and experience more work-related stress. Here are some examples of how WE Fashion supports its employees:

- You work for WE®, WE® work for you. From onboarding to personal growth and team development, our training offer is broad and accessible. We offer an in-app training library, run annual employee satisfaction surveys with follow-ups, and host Lunch & Learn sessions (on topics like sustainability) with inspiring speakers from both inside and outside the company.
- We actively promote vitality, sustainable employability, and a healthy work-life balance. This includes open conversations about workload and ongoing development opportunities.
- In 2023, we introduced the “Moments That Matter Day”. This special day off gives employees time to celebrate or reflect on a moment that’s personally meaningful to them.
- Employees can take a 2-4 month sabbatical. While unpaid, WE® contributes 25% of the salary during this period to help support the break.
- Employees also have the opportunity to go on “workation”, with a maximum of 10 days.
- WE Fashion offers the WE® Bicycle Scheme to its employees. Its purpose is to encourage the use of bicycles for commuting and to keep employees sustainably employable. In addition, it is better for the environment and fits within our sustainability objectives regarding the provision of

responsible commuting options.

- To underline a healthy start and end of the day, in May 2024, we promoted the “cycle to work day” and asked all participating employees to take a picture. The best pictures won a healthy fruit basket.
- In line with WE®’s sustainability objectives, public transport travel is preferred to travelling by car. Employees can choose from several options depending on what best suits their commuting needs. The cost of travelling by public transport is fully reimbursed by WE Fashion.
- In September 2024, during vitality week, employees at the Head Office could enjoy a chair massage at work.

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You work for WE®,
WE® work for you

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Since 2023, we have our
Moments that Matters Day

Results of training WE® employees on our sustainability mission:

- All training courses and workshops are part of the WE® Academy, to help employees grow and further develop within the organisation. It offers a variety of training courses and workshops, with information on the new collections, trainings to improve one's performance and engagement programmes. The WE Care module is part of a larger learning programme for store staff. Ultimately, we want every employee to be able to tell the sustainability story of WE®.
- To ensure that our customers get the right information about our sustainable materials, the WE® sustainability team has created vlogs for store staff. These vlogs can be found on the WE Fashion Academy app and are addressed to store staff. The vlogs explain the different types of materials and what makes them more or less sustainable.
- The full buying team has been trained by their own CSR department and an external expert on Responsible Purchase Practices.

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WE® provides sabbatical leave as part of our Leave policy

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A "workation" of maximum 10 days is offered



Reduce waste

We develop, transport and sell goods, and in the course of these activities, we produce waste. This is mainly cardboard, plastic, and paper, but also polyester window screens and textile waste. We strive to reduce the volume of waste by looking for opportunities to reuse or recycle the materials, but also by reducing the amount of materials that might become waste, such as packaging and samples.

Creating waste puts pressure on the environment. While our main goal is to reduce waste altogether, we also look for ways to give waste a second life. Many waste streams, like textiles, paper, cardboard, and plastics, can be reused as raw materials instead of being discarded. In our operations, waste generation is considered a medium-level risk. That's why we focus especially on preventing waste in the areas with the biggest impact: paper and cardboard, plastic, textiles, and in-store promotional materials.

PERFORMANCE 2024

Our goal is to reduce the waste from the head office and stores with 30% by 2025.

2024 → -20%

2025 → -30%*

*In 2024, we switched waste processors. Our new partner collects waste from several locations using vehicles that weigh each container's contents. Based on data from these locations, we estimated waste volumes for all stores. Previously, calculations were based on container size, not actual waste. As a result, the 2024 data offers a significantly more accurate view, making direct comparisons with past figures less accurate.

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By exiting the usage of paper coffee cups, we have reduced our annual waste by approximately 250.000 cups

Results of our efforts to produce less waste in our own operations:

- Of all the waste we collect, 17% is classified as residual waste ("restafval"). This portion either goes to landfill or is burned for energy recovery. The remaining 83%, including materials like cardboard and clear plastic, is recycled. This means that more than 80% of our waste is diverted from landfill and given a second life through recycling.
- In 2022, we revised our policy on the use of paper coffee cups. As of 2023, we banned all paper coffee cups from our headquarters and stores. After a successful pilot in our warehouse in 2023, we continued to recycle all paper cups in 2024.

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All of our hangers are reused or recycled

- For many years, we've been separating cardboard and plastic at our distribution centre, warehouse, and stores. Boxes and clear plastic are separated in the distribution centre and warehouse, plastic polybags are collected in our international stores (excluding Switzerland) and returned to our warehouse. Boxes and clear plastics collected are recycled into new feedstock.
- Staff from the head office, distribution centre, and warehouse can shop from the sample stock. As the number of colleagues who can buy clothes during a sample sale is limited, a batch was sold to a buyer of second-hand clothing.

- There are no individual waste bins in our offices. Instead, all waste at the head office is collected in the kitchen areas, where it's properly sorted into separate streams. The canteen also supports waste separation, offering bins for both organic (green) and residual waste. Overall, we separate green waste, plastic, paper, cardboard, and residual waste. In the buying departments, we also collect transparent plastic polybags and textile waste separately.
- Ever since we started separating organic waste, the waste collection has tripled. This means more organic waste can be composted and less waste ends up in landfills.
- We use different types of hangers, and all of them are collected and sorted after use. 52% of our hangers are reused. Those that can't be reused are either fully recycled into new hangers or processed into plastic pellets (nurdles), which are then sold to the plastic industry to produce new products.



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App 83% of all "waste has been recycled, like cardboard and transparent plastic

Reduction of greenhouse gas emissions

We're fully aware of our role in tackling climate change. The fashion industry is a significant contributor to global emissions – from sourcing raw materials to manufacturing, transportation, and retail. Since 2015, we've annually measured our greenhouse gas (GHG) emissions in CO₂ equivalents and have taken climate action in the Netherlands and other countries we're active in.

Greenhouse gas (GHG) emissions are classified into three categories – Scope 1, Scope 2, and Scope 3 – based on their source and the level of control we have over them. This classification follows the Greenhouse Gas Protocol, the leading international framework for measuring and managing corporate carbon footprints.

- Scope 1 includes direct emissions from sources we own or control, such as fuel used in company vehicles or natural gas for heating our buildings.
- Scope 2 covers indirect emissions from the production of purchased energy – like electricity and heating – that we consume.
- Scope 3 includes all other indirect emissions across our value chain. These occur both upstream (e.g., suppliers) and downstream (e.g., customer use), and cover everything from raw material sourcing and manufacturing to transportation and employee commuting.

In 2025, we committed to the Science-Based Targets initiative (SBTi). Since we still have to submit our targets to the SBTi, we are reporting on our current target aimed at reducing GHG emissions from our headquarters and stores (i.e., Scope 1 and 2). In next year's (CSRD) report, we will include our full science-based targets, covering all scopes – including Scope 3 – to also account for emissions resulting from upstream activities.

More information about the scope and direction of our next report can be found in Chapter 5: Preparing for the CSRD.

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100% green electricity across all operations

46

30% of transportation fleet is electric

PERFORMANCE 2024

Our goal is to reduce the CO₂ emissions from our head office and stores with 30% by 2025.

2024 → -40%

2025 → -30%

Results of our measures to reduce GHG emissions in our own operations:

- Our aim to minimise our footprint is based on reducing carbon emissions across our operations, by switching to other sources of energy, transport, and materials. We do not offset carbon emissions.
- All our business operations now run on 100% green electricity.
- We've installed 3,280 solar panels on the roof of our central warehouse.
- In our stores, we've implemented a LED lighting-plan and replaced R-22 with R-410A as the preferred refrigerant for our heating and cooling systems.
- At our headquarters in Utrecht, employees can charge electric vehicles on site. All company cars must be electric, resulting in 96% of our company cars in the Netherlands now being electric.
- Since 2023, 30% of our transport fleet has been converted to electric vehicles, making WE Fashion an early adopter of zero-emission logistics in the fashion industry.

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3,280 solar panels installed
at central warehouse



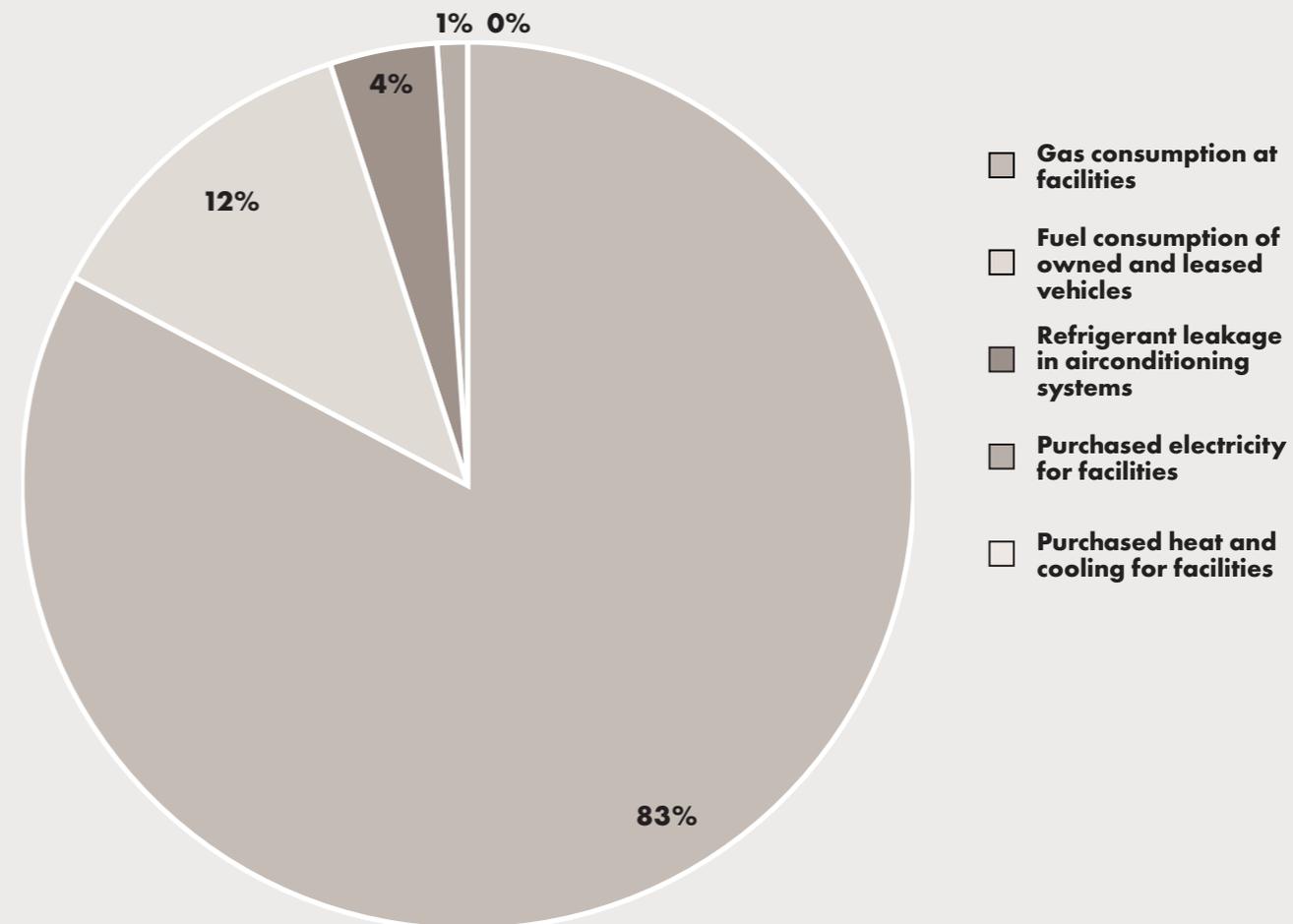
For our future SBTi targets on Scope 1 and 2 emissions (i.e. emissions from our own operations), we have selected 2019 as the base year. This year reflects a 'business-as-usual' scenario, unaffected by the disruptions caused by COVID-19. It also ensures that the measures we've taken to reduce GHG emissions are accurately reflected in our progress.

With the help of a climate consultancy, we recalculated our 2019 emissions, now including actual data on refrigerant use – data that wasn't available in 2020. As a result, we can now provide a more accurate Scope 1 emissions figure, which led to a lower Scope 1 GHG inventory.

Following this recalculation, we can report a 40% reduction in GHG emissions from our headquarters and stores in 2024 compared to 2019. Although this is lower than the 50% we reported last year, it still shows that the measures we've implemented are successfully moving us toward our 2025 reduction target.

We report Scope 2 emissions using a market-based approach, which means we calculate them based on our electricity procurement choices – such as purchasing renewable energy contracts or certificates. This method reflects our direct efforts to lower our energy-related footprint and support the transition to cleaner energy markets

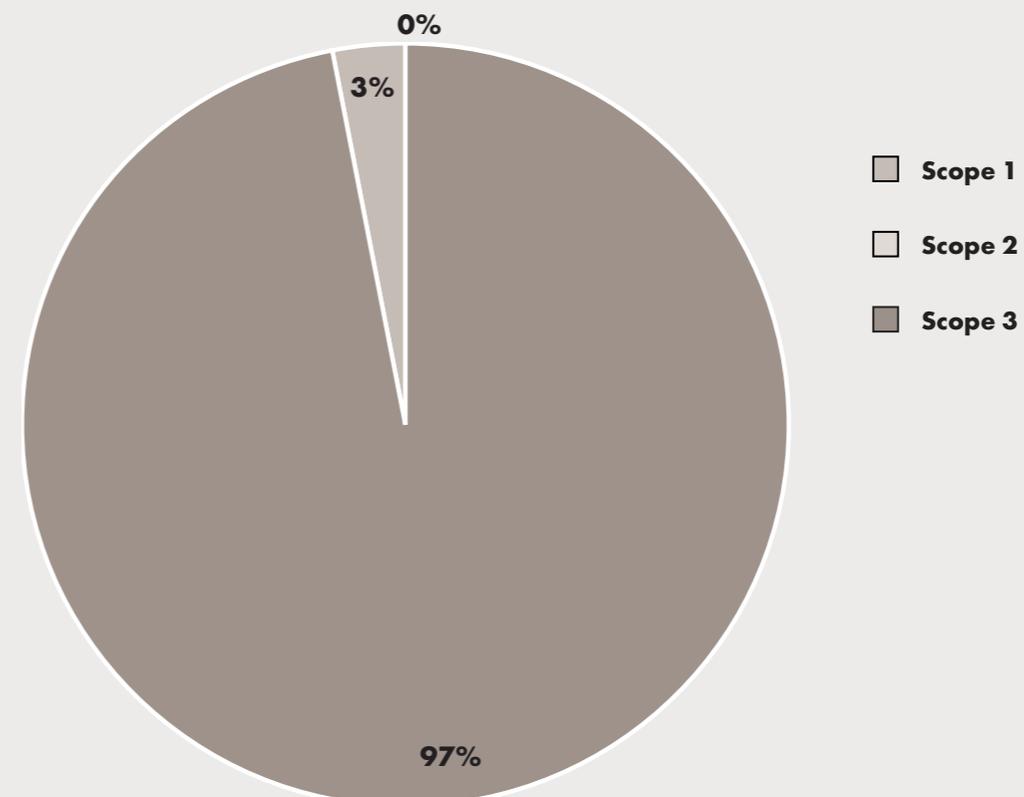
Scope 1 and 2 emissions



Emission source	2024 emissions (tCO ₂ e)	2019 base year emissions (tCO ₂ e)	Progress 2024 vs. base year
Scope 1			
Gas consumption at facilities	1,419	1,987	-29%
Fuel consumption of owned and leased vehicles	211	480	-56%
Refrigerant leakage in air-conditioning systems	67	148	-55%
Scope 1 GHG emissions (in tons CO₂e)	1,697	2,615	-35%
Scope 2			
Purchased electricity for facilities	0	49	-100%
Purchased heat and cooling for facilities	20	187	-89%
Scope 2 GHG emissions (in tons CO₂e)	20	236	-91%
Total scope 1 & 2 GHG emissions (in tons CO₂e)	1,717	2,851	-40%

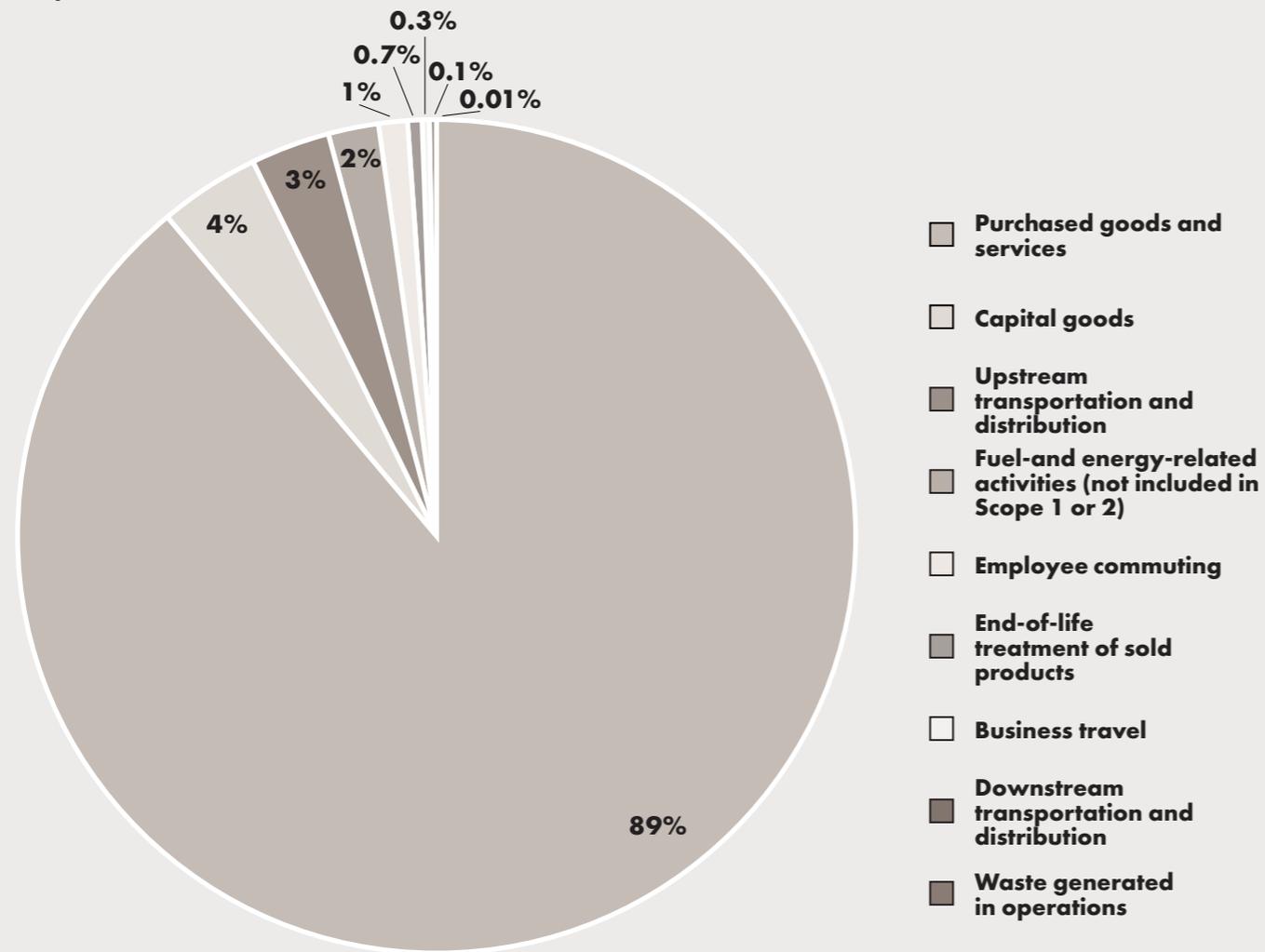
As for most retail companies, the majority of our emissions are caused by activities throughout our value chain. In 2024, scope 3 emissions accounted for 97% of our total carbon footprint. These categories significantly exceed our Scope 1 & 2 emissions, largely because of the broad scope and complexity of activities across our supply chain.

Scope 1, 2, and 3 emissions



For our Scope 3 emissions, we have chosen 2024 as the base year, mainly due to data availability. To submit our future SBTi targets, we needed to obtain a clear understanding of our complete emissions inventory. This required us to gather data on new emission sources that we hadn't previously accounted for, including emissions associated with purchased goods and services, as well as the end-of-life treatment of sold products. With this recalculation of our GHG inventory, we are establishing a robust baseline that will help us to effectively monitor our progress over time.

Scope 3 emissions



Scope 3 category	2024 emissions (tCO ₂ e)	% of total scope 3
1. Purchased goods and services	57,741	88.9%
2. Capital goods	2,295	3.5%
3. Fuel- and energy-related activities (not included in Scope 1 or 2)	1,062	2.5%
4. Upstream transportation and distribution	1,748	2.7%
5. Waste generated in operations	4	0.0%
6. Business travel	217	0.3%
7. Employee commuting	808	1.2%
8. Upstream leased assets	-	-
9. Downstream transportation and distribution	69	0.1%
10. Processing of sold products	-	-
11. Use of sold products	-	-
12. End-of-life treatment of sold products	487	0.7%
13. Downstream leased assets	-	-
14. Franchises	-	-
15. Investments	-	-
Scope 3 GHG emissions (in tons CO₂e)	64,971	-
Total scope 1, 2, and 3 GHG emissions (in tons CO₂e)	66,688	-

Sustainable options in the office

In addition to the garments we purchase for our stores, we also buy non-commercial items needed for daily operations – such as hangers, office supplies, paper, toner, coffee cups, and more.

Although these products are relatively low risk (given the environmental impact and the likelihood of unsustainable practices), they still contribute to our overall sustainability goals. They reflect our commitment to creating a healthy and responsible working environment. A key area of attention is the consumer packaging we use, including e-commerce boxes and polybags. Altogether, we work with more than 200 different types of non-commercial products.

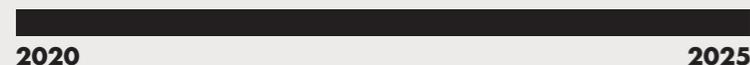
Back in 2020, we started mapping the full range of non-commercial items to gain insight into the materials used and their sustainability credentials. Many now meet standards such as FSC certification, the EU Ecolabel, or are made from recycled materials.

PERFORMANCE 2024

Our goal is that 50% of the non-commercial articles will be a more sustainable option by 2025.

2024 → 90%

2025 → 50%



Results of procuring more sustainable options for non-commercial articles:

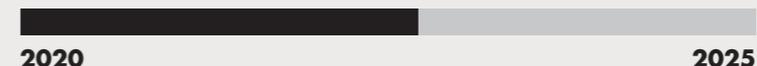
- Our plastic (E-com) bags are made of 50% recycled plastic.
- All E-com carton boxes are made with 80% recycled paper.
- The coffee cups used at our warehouse are made from FSC-certified paper and have a zero-carbon footprint. The FSC (Forest Stewardship Council) promotes responsible forest management, helps protect wildlife habitats, support local communities, and ensure fair rights for local population and forest workers. By preventing deforestation, FSC certification also plays a role in reducing CO₂ emissions.
- The tea we offer our office employees is Fairtrade-certified. Fineleaf tea is grown on certified organic plantations in Sri Lanka, where no chemicals are used. Farmers selling under Fairtrade terms receive at least the Fairtrade minimum price, providing a safety net against unpredictable market fluctuations.

PERFORMANCE 2024

Our goal is that 100% of our B2C packaging will be made from more sustainable materials by 2025.

2024 → 52%

2025 → 100%



- We exclusively use FSC-certified paper and cardboard for price tags and promotional materials, as is the case for the brand's stationery. By doing so, we contribute to lowering our environmental impact, as the materials come from responsibly managed forests that protect people, wildlife, and the planet.
- We outsource many of our non-commercial articles (NCA) through a partner. They have a sustainable materials policy, in line with our guidelines for more sustainable purchasing.
- The carrier bags we use in stores are now made with 50% recycled polyethylene. Studies have shown that these bags have the lowest footprint of all bags. The only major issue is the waste stage. While plastic can be reused and recycled many times, we all share responsibility for keeping it out of landfills and oceans. That's why we encourage customers to reuse the bag as often as possible, and to recycle it properly when it's no longer usable.
- Our new polybag is designed to raise awareness about plastic use. It can be reused multiple times, and we ask customers to dispose of it in the recycling bin when it's worn out. This bag is now used in all WE Fashion stores.

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Our polybags are made with 50% recycled plastic

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All price tags and almost all hangtags are made of FSC-certified paper





CONTRIBUTING TO SOCIETY



Each year, WE Fashion supports a variety of charities. In recent years, we've contributed to cancer research, provided support to the Red Cross following the 2024 floods in Libya, sponsored a year of training for a KNGF Geleidehond pup, and helped fund a local initiative encouraging highly motivated young people to attend university. We've also donated clothing to Dutch charity organisations such as Kledingbank Utrecht and Kledingbank Maxima in Groningen, and supported the Because We Carry initiative.

Through the WE® Get Together Foundation, we focus on projects that foster active involvement from WE Fashion employees, customers, and suppliers. The foundation prioritises social initiatives in countries where WE Fashion operates or produces, with themes such as well-being, health, education, the environment, and emergency relief.

Funding for these donations comes from sample sales and occasional employee-led fundraising efforts. We also donate samples and worn garments to charitable organisations.

Our goal to give back to society contributes to many of the Sustainable Development Goals, with a strong focus on 17.



Supporting charities

The WE® Get Together Foundation supports charities that aim to improve lives by raising living standards, protecting the environment, promoting better health, supporting children's education, and providing disaster relief.

The foundation focuses on social projects not only in WE®'s manufacturing countries, but also those in which the company is operationally active. Supported themes include well-being, health, education, environmental care, and emergency aid.

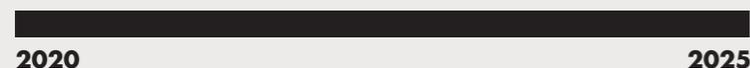
In recent years, supporting communities and charitable initiatives has become a meaningful part of our sustainability efforts. It reflects our core value: to share and connect.

PERFORMANCE 2024

Our goal is to donate 100% of product waste to charities by 2025.

2024 → 99,8%

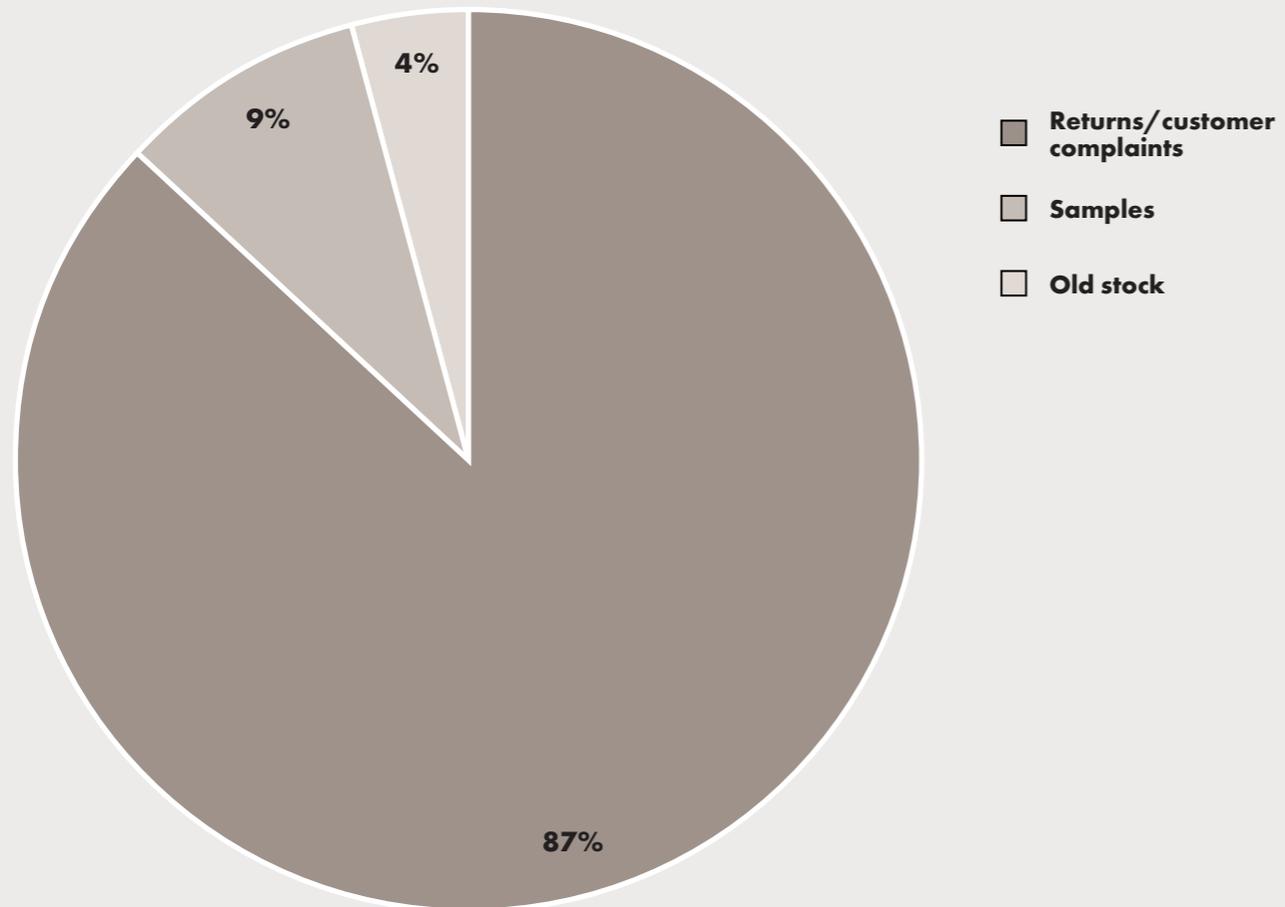
2025 → 100%



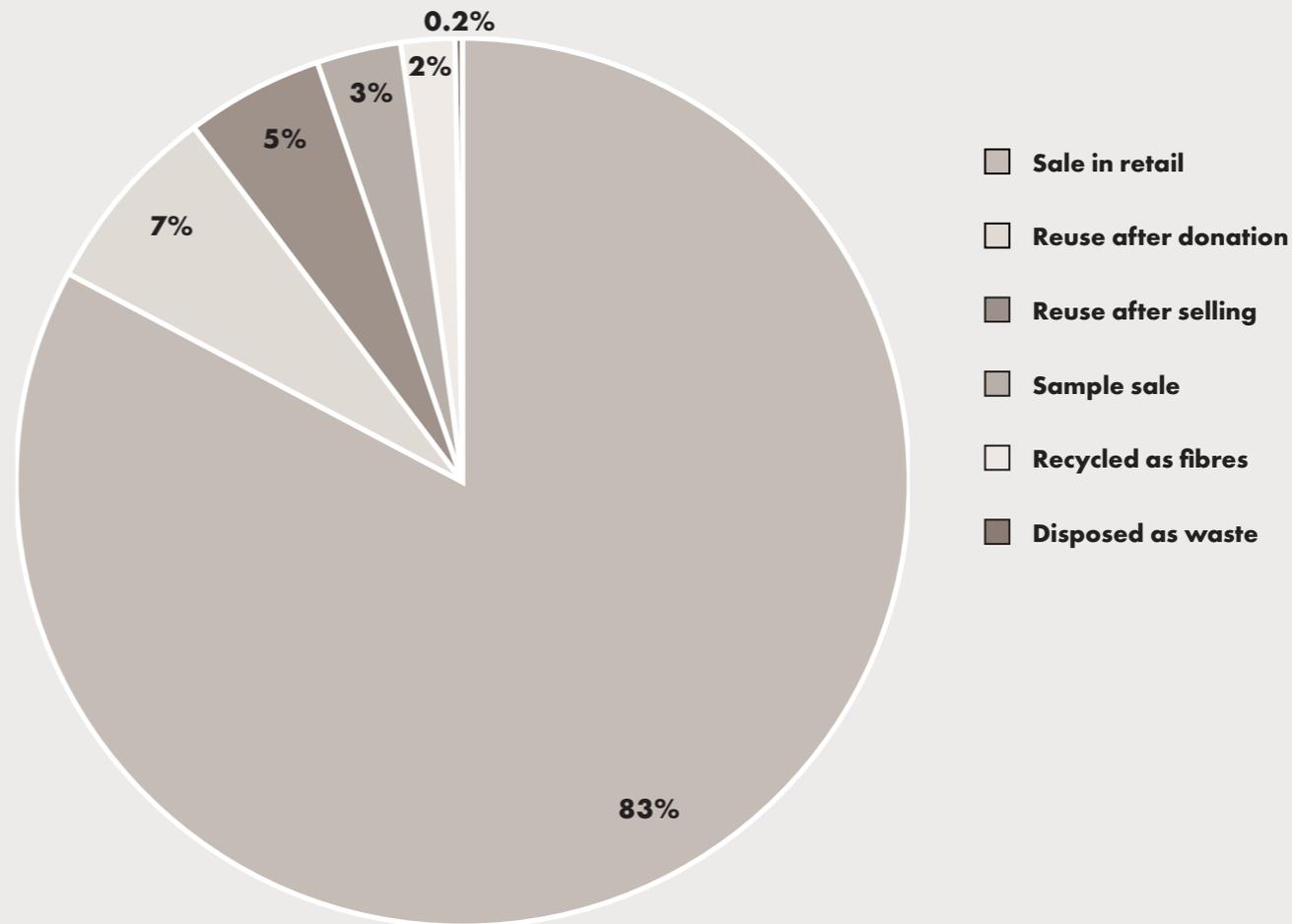
Here are the results of donating unsold goods to charity:

- WE Fashion and the Salvation Army collaborate in a long-term, international Recycle Programme that's part of our sustainability mission WE CARE. Customers can give textiles (like old towels, duvet covers, and torn garments) a second life by handing them in at any WE® store. All collected clothing is donated to the Salvation Army's ReShare programme and is either reused or recycled wherever possible. Wearable items go to people in need or are sold at affordable prices in ReShare Stores. Proceeds support the Salvation Army's charitable efforts. By donating, customers support a good cause, bring joy to others, and help create a better environment.
- Since 2020, WE Fashion has operated outlet stores. Much of our older stock is now sold through these outlets, reducing the need to donate unsold items to charity.
- In total, WE Fashion has donated around 90,000 garments to charitable causes. This includes approximately 11,600 pieces to Because We Carry and more than 12,000 items to Lifeline Ukraine.
- The WE® Get Together Foundation manages all charitable donations. In 2024, its funding came from organising sample sales and selling batches of clothing to second-hand retailers.
- Since 2023, we've been a structural supporter of Dress for Success Utrecht, a professional non-profit that helps job seekers with limited income dress for success. They provide suitable, representative clothing and personalised advice to increase their chances of employment. Ultimately, their goal is to help people rejoin society, escape poverty, and gain financial independence. WE Fashion supports this mission by regularly donating garments. Representatives from their Utrecht office are welcomed at our Distribution Centre to personally select the right items for their clients.

Product waste resources



Product waste destinations



Charitable donations in 2024:

- The WE® Get Together Foundation donated €15,000 to Giro 555 to support the victims of the devastating flood crisis in Libya.
- Like last year, The WE® Get Together Foundation also donated clothing to Lifeline Ukraine, a foundation that supports citizens, veterans, civil society organisations, and small businesses in their efforts to survive and rebuild during and after the war.
- Meet Wiggle, our adopted puppy. Like last year, The WE® Get Together Foundation donated €5,000 to KNGF Guide Dogs. KNGF helps people with disabilities expand their world and maintain their independence with the support of professionally trained assistance dogs. Everyday things like going to work, dining out, or travelling can be a challenge for people with disabilities. An assistance dog makes these moments more accessible. Thanks to this donation, Wiggle will receive a full year of guide dog training.



- For a full overview of all donations made by The WE® Get Together Foundation, please visit the annual financial report via: https://www.wefashion.com/nl_NL/we-care/transparency/



SUSTAINABLE DEVELOPMENT GOALS (SDGs)



Our contribution to the SDGs
 The Sustainable Development Goals (SDGs) are a universal set of objectives, targets, and indicators to be achieved by 2030. They provide a framework for how businesses, governments, and civil society organisations can work together to address global challenges and build a more sustainable future for everyone.

Through WE Fashion’s sustainability strategy and the many partnerships we’re part of, we actively support several of the SDGs. The goals and actions outlined in our strategy contribute, both directly and indirectly, to the SDG targets listed below. Our approach aligns with the global sustainability agenda, and the aim is to make meaningful progress together.

The goals set in the WE® Sustainability Strategy 2025 contribute to multiple SDGs. For each of the four pillars, we’ve listed the relevant SDGs we support.

SUSTAINABLE DEVELOPMENT GOALS





PREPARING FOR THE CSRD



As we initially fall within scope of the EU Corporate Sustainability Reporting Directive (CSRD), we have started to align our sustainability reporting with the CSRD requirements. By doing this, we want to make our Environmental, Social, and Governance (ESG) practices clearer, more accountable and in line with the latest developments. The CSRD requires us to disclose detailed information on how our business activities may positively and negatively impact people or the environment. This includes both our own operations and the upstream and downstream value chain.

The European Commission has approved the 'stop-the-clock' directive on sustainability reporting as part of the Omnibus proposal. At the time of writing this report, many details around the proposal remain unclear. Adjustments to the thresholds may potentially exempt us from CSRD requirements. Regardless of the final outcome, we recognise the importance of sustainability reporting and the need for public accountability through accurate and reliable disclosures. That's why we've proactively begun preparing our processes, data collection, and governance frameworks to produce a comprehensive, audit-ready report that reflects our sustainability ambitions and performance. We're committed to going beyond mere compliance by integrating sustainability more deeply into our strategy and day-to-day operations. This involves understanding our significant impacts and dependencies through the DMA, collecting reliable data, and setting quantitative future targets that drive progress.

Our first CSRD report, covering the fiscal year 2025, will be published in 2026 and will be replacing our annual Sustainability Report. It will be structured around the key ESG areas as prescribed by the European Sustainability Reporting Standards (ESRS) and the outcomes of our Double Materiality Assessment (DMA) carried out in 2024. In this Sustainability Report, we will present the process followed and key findings from our DMA.

Laying the groundwork for our next CSRD Report

In preparation of our CSRD report, we conducted a DMA in 2024 with support from a specialised consulting firm. Following seven structured steps, we identified our impacts, risks, and opportunities, and assessed which of the 10 ESRS sustainability topics are material to us. The project was coordinated by the DMA working group, which included our Head of Sustainability, Accounting and Reporting Manager, Legal Counsel, and Manager Business Control. Key findings were approved by the steering group, consisting of the Chief Financial Officer, Chief Accounting Officer, Head of Sustainability, and Legal Counsel. These steering group meetings were held monthly. Finally, the Management Team was closely involved during key milestones – such as the project kick-off, stakeholder engagement, and validation of our DMA findings.

Step 1 – Scoping

We started the analysis by identifying the initial entity structure of WE Fashion. Based on ESRS requirements, we determined which entities fall within the reporting scope. The outcome: CSRD reporting will be carried out at WE International B.V., and will include all subsidiaries that are 100% owned (i.e., all country specific entities). In practice, this means that all activities operating under the WE Fashion brand will be part of the CSRD report.

Step 2 – Landscape analysis

To compile a list of material topics – including impacts, risks, and opportunities – we first created a “long list” of potential topics. This list was then narrowed down through further assessment to identify the topics that are truly material. For the analysis, we used a broad range of sources, including sustainability trends, laws and regulations, peers, and the media.

Step 3 – High-level value chain analysis

Since the CSRD requires evaluation of ESRS topics across the entire value chain, we created a high-level value chain overview. This overview is divided into four parts: upstream activities, own operations, downstream activities, and secondary activities (such as IT, HR, Marketing, and Finance). For each step in the value chain, we identified impacts, risks, and opportunities for every ESRS topic. All impacts were classified as either positive or negative.



Step 4 – Selection of topics

The selection of relevant ESRS topics was conducted in a workshop setting. Each ESRS topic (including sub-subtopics) was assessed on its relevance, and underlying reasoning was discussed in plenary. Furthermore, we wrote a narrative on the risks, opportunities, and impacts for each relevant (sub-sub)topic.

Step 5 – Definition of impact and financial materiality

Double materiality includes two dimensions: impact materiality and financial materiality. A sustainability matter is considered material from an impact perspective if we have, or may have, a material positive or negative effect on people or the environment – whether in the short, medium, or long term.

It is material from a financial perspective if it has triggered, or could trigger, significant financial effects on our business. This applies when a sustainability issue creates risks or opportunities that materially affect our financial position, performance, cash flow, access to finance, or cost of capital over time.

Step 6 – Stakeholder engagement

To determine materiality of the topics, we identified and surveyed our stakeholders about their perspective on the topics. For impact materiality, both internal and external stakeholders were valuable. For financial materiality, external stakeholders have less visibility and only the experience and knowledge of internal stakeholders is addressed.

A list of the most relevant external stakeholders was compiled and consisted of the following categories: peers, trade unions, investors/credit institutions, industry experts, suppliers, customers, governmental organisations, and NGOs.

Through an online survey, both internal and external stakeholders were invited to assess WE Fashion's impact on society and the environment. In total, 39 responses were received – 17 from internal stakeholders and 22 from external stakeholders. Additionally, 12 interviews were conducted with representatives from key stakeholder groups. These conversations helped us better understand the impact WE Fashion has on environmental, social, and governance issues, and how these issues, in

turn, impact WE Fashion.

Based on the input from both the online survey and the interviews, we calculated an impact score on a scale from one to five. In addition, four workshops were held with internal stakeholders – including the Management Team – to determine and validate the scores for both impact and financial materiality.

Step 7 – Validation of results

During a final meeting with the DMA working group and our CFO/COO, the results of the materiality assessment were validated. This was followed by a meeting with the Management Team to finalise the outcomes. Each topic was assessed and classified as either not material, material only from an impact perspective, material only from a financial perspective, or material from both perspectives.

Following the DMA, topic S1 (Own Workforce) was found not to be material. However, we have chosen to report on the relevant disclosure requirements, as we already have a solid management system in place. The only topic that stakeholders considered not material to WE Fashion was S3 (Affected Communities). The subtopics were deemed not relevant due to WE Fashion's limited reach and potential influence in this area.

All other ESRS topics were considered material, which results in the following list of topics we will report on in the CSRD 2025 report:

- ESRS 2: General disclosures
- E1: Climate Change
- E2: Pollution
- E3: Water and Marine Resources
- E4: Biodiversity and Ecosystems
- E5: Resource Use and Circular Economy
- S1: Own Workforce
- S2: Workers in the Value Chain
- S4: Consumers and End-Users
- G1: Business Conduct

ACKNOWLEDGEMENTS

This CSR report is issued by WE Fashion and is intended for all WE Fashion stakeholders, especially employees and consumers. Do you have any questions or suggestions following this report? Please send an email to csr@wefashion.com.

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